STATE OF MINNESOTA

NINETY-SECOND SESSION — 2021

FORTY-FOURTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, APRIL 21, 2021

The House of Representatives convened at 11:30 a.m. and was called to order by Andrew Carlson, Speaker pro tempore.

Prayer was offered by Deacon Nathan E. Allen, Archdiocese of Saint Paul and Minneapolis, St. Paul, Minnesota.

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

The roll was called and the following members were present:

Acomb	Davnie	Hansen, R.	Lee	Nelson, N.	Schultz
Agbaje	Demuth	Hanson, J.	Liebling	Neu Brindley	Scott
Akland	Dettmer	Hassan	Lillie	Noor	Stephenson
Albright	Drazkowski	Hausman	Lippert	Novotny	Sundin
Anderson	Ecklund	Heinrich	Lislegard	O'Driscoll	Swedzinski
Backer	Edelson	Heintzeman	Long	Olson, B.	Theis
Bahner	Elkins	Her	Lucero	Olson, L.	Thompson
Bahr	Erickson	Hertaus	Lueck	O'Neill	Torkelson
Baker	Feist	Hollins	Mariani	Pelowski	Urdahl
Becker-Finn	Fischer	Hornstein	Marquart	Pfarr	Vang
Bennett	Franke	Howard	Masin	Pierson	Wazlawik
Berg	Franson	Huot	McDonald	Pinto	West
Bernardy	Frazier	Igo	Mekeland	Poston	Winkler
Bierman	Frederick	Johnson	Miller	Pryor	Wolgamott
Bliss	Freiberg	Jordan	Moller	Quam	Xiong, J.
Boe	Garofalo	Jurgens	Moran	Raleigh	Xiong, T.
Boldon	Gomez	Keeler	Morrison	Rasmusson	Youakim
Burkel	Green	Kiel	Mortensen	Reyer	Spk. Hortman
Carlson	Greenman	Klevorn	Mueller	Richardson	
Christensen	Grossell	Koegel	Munson	Robbins	
Daniels	Gruenhagen	Kotyza-Witthuhn	Murphy	Sandell	
Daudt	Haley	Koznick	Nash	Sandstede	
Davids	Hamilton	Kresha	Nelson, M.	Schomacker	

A quorum was present.

Petersburg was excused until 3:50 p.m.

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

REPORTS OF CHIEF CLERK

S. F. No. 1846 and H. F. No. 2024, which had been referred to the Chief Clerk for comparison, were examined and found to be not identical.

Stephenson moved that S. F. No. 1846 be substituted for H. F. No. 2024 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES AND DIVISIONS

Moran from the Committee on Ways and Means to which was referred:

H. F. No. 2128, A bill for an act relating to state government; modifying provisions governing health, health care, human services, human services licensing and background studies, health-related licensing boards, prescription drugs, health insurance, telehealth, children and family services, behavioral health, direct care and treatment, disability services and continuing care for older adults, community supports, and chemical and mental health services; establishing a budget for health and human services; making forecast adjustments; making technical and conforming changes; requiring reports; transferring money; appropriating money; amending Minnesota Statutes 2020, sections 62A.04, subdivision 2; 62A.10, by adding a subdivision; 62A.15, subdivision 4, by adding a subdivision; 62A.152, subdivision 3; 62A.3094, subdivision 1; 62A.65, subdivision 1, by adding a subdivision; 62C.01, by adding a subdivision; 62D.01, by adding a subdivision; 62D.095, subdivisions 2, 3, 4, 5; 62J.495, subdivisions 1, 2, 3, 4; 62J.497, subdivisions 1, 3; 62J.498; 62J.4981; 62J.4982; 62J.63, subdivisions 1, 2; 62Q.01, subdivision 2a; 62Q.02; 62Q.096; 62Q.46; 62Q.677, by adding a subdivision; 62Q.81; 62U.04, subdivisions 4, 5, 11; 62V.05, by adding a subdivision; 62W.11; 103H.201, subdivision 1; 119B.011, subdivision 15; 119B.025, subdivision 4; 119B.03, subdivisions 4, 6; 119B.09, subdivision 4; 119B.11, subdivision 2a; 119B.125, subdivision 1; 119B.13, subdivisions 1, 1a, 6, 7; 119B.25, subdivision 3; 122A.18, subdivision 8; 136A.128, subdivisions 2, 4; 144.0724, subdivisions 1, 2, 3a, 4, 5, 7, 8, 9, 12; 144.1205, subdivisions 2, 4, 8, 9, by adding a subdivision; 144.125, subdivision 1; 144.1481, subdivision 1; 144.1501, subdivisions 1, 2, 3; 144.1911, subdivision 6; 144.212, by adding a subdivision; 144.225, subdivisions 2, 7; 144.226, by adding subdivisions; 144.55, subdivisions 4, 6; 144.551, subdivision 1, by adding a subdivision; 144.555; 144.651, subdivision 2; 144.9501, subdivision 17; 144.9502, subdivision 3; 144.9504, subdivisions 2, 5; 144D.01, subdivision 4; 144G.08, subdivision 7, as amended; 144G.84; 145.893, subdivision 1; 145.894; 145.897; 145.899; 145.901, subdivisions 2, 4; 147.033; 148.90, subdivision 2; 148.911; 148B.30, subdivision 1; 148B.31; 148B.51; 148B.5301, subdivision 2; 148B.54, subdivision 2; 148E.010, by adding a subdivision; 148E.120, subdivision 2; 148E.130, subdivision 1, by adding a subdivision; 148F.11, subdivision 1; 151.01, by adding subdivisions; 151.071, subdivisions 1, 2; 151.37, subdivision 2; 151.555, subdivisions 1, 7, 11, by adding a subdivision; 152.01, subdivision 23; 152.02, subdivisions 2, 3; 152.11, subdivision 1a, by adding a subdivision; 152.12, by adding a subdivision; 152.125, subdivision 3; 152.22, subdivisions 6, 11, by adding subdivisions; 152.23; 152.25, by adding a subdivision; 152.26; 152.27, subdivisions 3, 4, 6; 152.28, subdivision 1; 152.29, subdivisions 1, 3, by adding subdivisions; 152.31; 152.32, subdivision 3; 156.12, subdivision 2; 171.07, by adding a subdivision; 174.30, subdivision 3; 245.462, subdivisions 1, 6, 8, 9, 14, 16, 17, 18, 21, 23, by adding a subdivision; 245.4661, subdivision 5; 245.4662, subdivision 1; 245.467, subdivisions 2, 3; 245.469, subdivisions 1, 2; 245.470, subdivision 1; 245.4712, subdivision 2; 245.472, subdivision 2; 245.4863; 245.4871, subdivisions 9a, 10, 11a, 17, 21, 26, 27, 29, 31, 32, 34, by adding a subdivision; 245.4876, subdivisions 2, 3; 245.4879, subdivision 1; 245.488, subdivision 1; 245.4882, subdivisions 1, 3; 245.4885, subdivision 1; 245.4889, subdivision 1; 245.4901, subdivision 2; 245.62, subdivision 2; 245.735, subdivisions 3, 5, by adding a subdivision; 245A.02, by adding subdivisions; 245A.03, subdivision 7; 245A.04, subdivision 5; 245A.041, by adding a subdivision; 245A.043, subdivision 3; 245A.05; 245A.07, subdivision 1; 245A.10, subdivision 4; 245A.14, subdivision 4; 245A.16, by adding a subdivision; 245A.50, subdivisions 7, 9; 245A.65, subdivision 2; 245C.02, subdivisions 4a, 5, by adding subdivisions; 245C.03; 245C.05, subdivisions 1, 2, 2a, 2b, 2c, 2d, 4; 245C.08,

subdivision 3, by adding a subdivision; 245C.10, subdivision 15, by adding subdivisions; 245C.13, subdivision 2; 245C.14, subdivision 1, by adding a subdivision; 245C.15, by adding a subdivision; 245C.16, subdivisions 1, 2; 245C.17, subdivision 1, by adding a subdivision; 245C.18; 245C.24, subdivisions 2, 3, 4, by adding a subdivision; 245C.32, subdivision 1a; 245D.02, subdivision 20; 245F.04, subdivision 2; 245G.01, subdivisions 13, 26; 245G.03, subdivision 2; 245G.06, subdivision 1; 246.54, subdivision 1b; 254A.19, subdivision 5; 254B.01, subdivision 4a, by adding a subdivision; 254B.05, subdivision 5; 254B.12, by adding a subdivision; 256.01, subdivisions 14b, 28; 256.0112, subdivision 6; 256.041; 256.042, subdivisions 2, 4; 256.043, subdivision 3; 256.969, subdivisions 2b, 9, by adding a subdivision; 256.9695, subdivision 1; 256.9741, subdivision 1; 256.98, subdivision 1; 256.983; 256B.04, subdivisions 12, 14; 256B.055, subdivision 6; 256B.056, subdivision 10; 256B.057, subdivision 3; 256B.06, subdivision 4; 256B.0615, subdivisions 1, 5; 256B.0616, subdivisions 1, 3, 5; 256B.0621, subdivision 10; 256B.0622, subdivisions 1, 2, 3a, 4, 7, 7a, 7b, 7d; 256B.0623, subdivisions 1, 2, 3, 4, 5, 6, 9, 12; 256B.0624; 256B.0625, subdivisions 3b, 3c, 3d, 3e, 5, 5m, 9, 10, 13, 13c, 13d, 13e, 13h, 17, 17b, 18, 18b, 19c, 20, 20b, 28a, 30, 31, 42, 46, 48, 49, 52, 56a, 58, by adding subdivisions; 256B.0631, subdivision 1; 256B.0638, subdivisions 3, 5, 6; 256B.0659, subdivision 13; 256B.0757, subdivision 4c; 256B.0759, subdivisions 2, 4, by adding subdivisions; 256B.0911, subdivisions 1a, 3a, 3f, 4d; 256B.092, subdivisions 4, 5, 12; 256B.0924, subdivision 6; 256B.094, subdivision 6; 256B.0941, subdivision 1; 256B.0943, subdivisions 1, 2, 3, 4, 5, 5a, 6, 7, 9, 11; 256B.0946, subdivisions 1, 1a, 2, 3, 4, 6; 256B.0947, subdivisions 1, 2, 3, 3a, 5, 6, 7; 256B.0949, subdivisions 2, 4, 5a, by adding a subdivision; 256B.097, by adding subdivisions; 256B.196, subdivision 2; 256B.25, subdivision 3; 256B.439, by adding subdivisions; 256B.49, subdivisions 11, 11a, 14, 17, by adding a subdivision; 256B.4914, subdivisions 5, 6, 7, 8, 9, by adding a subdivision; 256B.69, subdivisions 5a, 6, 6d, by adding subdivisions; 256B.6928, subdivision 5; 256B.75; 256B.76, subdivisions 2, 4; 256B.761; 256B.763; 256B.79, subdivisions 1, 3; 256B.85, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 11b, 12, 12b, 13, 13a, 15, 17a, 18a, 20b, 23, 23a, by adding subdivisions; 256D.03, by adding a subdivision; 256D.051, by adding subdivisions; 256D.0515; 256D.0516, subdivision 2; 256E.34, subdivision 1; 256I.03, subdivision 13; 256I.04, subdivision 3; 256I.05, subdivisions 1a, 1c, 11; 256I.06, subdivisions 6, 8; 256J.08, subdivisions 15, 71, 79; 256J.09, subdivision 3; 256J.10; 256J.21, subdivisions 3, 4, 5; 256J.24, subdivision 5; 256J.30, subdivision 8; 256J.33, subdivisions 1, 2, 4; 256J.37, subdivisions 1, 1b, 3, 3a; 256J.45, subdivision 1; 256J.626, subdivision 1; 256J.95, subdivision 9; 256L.01, subdivision 5; 256L.03, subdivision 5; 256L.04, subdivision 7b; 256L.05, subdivision 3a; 256L.11, subdivisions 6a, 7; 256N.25, subdivisions 2, 3; 256N.26, subdivisions 11, 13; 256P.01, subdivisions 3, 6a, by adding a subdivision; 256P.04, subdivisions 4, 8; 256P.06, subdivisions 2, 3; 256P.07; 256S.05, subdivision 2; 256S.18, subdivision 7; 256S.20, subdivision 1; 260.761, subdivision 2; 260C.007, subdivisions 6, 14, 26c, 31; 260C.157, subdivision 3; 260C.212, subdivisions 1a, 13; 260C.215, subdivision 4; 260C.4412; 260C.452; 260C.704; 260C.706; 260C.708; 260C.71; 260C.712; 260C.714; 260D.01; 260D.05; 260D.06, subdivision 2; 260D.07; 260D.08; 260D.14; 260E.01; 260E.02, subdivision 1; 260E.03, subdivision 22, by adding subdivisions; 260E.06, subdivision 1; 260E.14, subdivisions 2, 5; 260E.17, subdivision 1; 260E.18; 260E.20, subdivision 2; 260E.24, subdivisions 2, 7; 260E.31, subdivision 1; 260E.33, subdivision 1, by adding a subdivision; 260E.35, subdivision 6; 260E.36, by adding a subdivision; 295.50, subdivision 9b; 295.53, subdivision 1; 325F.721, subdivision 1; 326.71, subdivision 4; 326.75, subdivisions 1, 2, 3; Laws 2019, First Special Session chapter 9, article 14, section 3, as amended; Laws 2020, First Special Session chapter 7, section 1, subdivision 2, as amended; Laws 2020, Fifth Special Session chapter 3, article 10, section 3; Laws 2020, Seventh Special Session chapter 1, article 6, section 12, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 62A; 62J; 62Q; 62W; 119B; 144; 145; 151; 245; 245A; 245C; 254B; 256B; 256P; 256S; proposing coding for new law as Minnesota Statutes, chapter 245I; repealing Minnesota Statutes 2020, sections 16A.724, subdivision 2; 62A.67; 62A.671; 62A.672; 62J.63, subdivision 3; 119B.04; 119B.125, subdivision 5; 144.0721, subdivision 1; 144.0722; 144.0724, subdivision 10; 144.693; 245.462, subdivision 4a; 245.4871, subdivision 32a; 245.4879, subdivision 2; 245.62, subdivisions 3, 4; 245.69, subdivision 2; 245.735, subdivisions 1, 2, 4; 245C.10, subdivisions 2, 2a, 3, 4, 5, 6, 7, 8, 9, 9a, 10, 11, 12, 13, 14, 16; 256B.0596; 256B.0615, subdivision 2; 256B.0616, subdivision 2; 256B.0622, subdivisions 3, 5a; 256B.0623, subdivisions 7, 8, 10, 11; 256B.0625, subdivisions 5l, 18c, 18d, 18e, 18h, 35a, 35b, 61, 62, 65; 256B.0916, subdivisions 2, 3, 4, 5, 8, 11, 12; 256B.0924, subdivision 4a; 256B.0943, subdivisions 8, 10; 256B.0944; 256B.0946, subdivision 5; 256B.097, subdivisions 1, 2, 3, 4, 5, 6; 256B.49, subdivisions 26, 27; 256D.051, subdivisions 1, 1a, 2, 2a, 3, 3a, 3b, 6b, 6c, 7, 8, 9, 18; 256D.052, subdivision 3; 256J.08, subdivisions 10, 53, 61, 62, 81, 83; 256J.21, subdivisions 1, 2;

256J.30, subdivisions 5, 7, 8; 256J.33, subdivisions 3, 4, 5; 256J.34, subdivisions 1, 2, 3, 4; 256J.37, subdivision 10; 256S.20, subdivision 2; Minnesota Rules, parts 9505.0275; 9505.0370; 9505.0371; 9505.0372; 9505.1693; 9505.1696, subparts 1, 2, 3, 4, 5, 6, 7, 8, 9, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22; 9505.1699; 9505.1701; 9505.1703; 9505.1706; 9505.1712; 9505.1715; 9505.1718; 9505.1724; 9505.1727; 9505.1730; 9505.1733; 9505.1736; 9505.1739; 9505.1742; 9505.1745; 9505.1748; 9520.0010; 9520.0020; 9520.0030; 9520.0040; 9520.0050; 9520.0060; 9520.0070; 9520.0080; 9520.0090; 9520.0100; 9520.0110; 9520.0120; 9520.0130; 9520.0140; 9520.0150; 9520.0160; 9520.0170; 9520.0180; 9520.0190; 9520.0200; 9520.0210; 9520.0230; 9520.0750; 9520.0760; 9520.0770; 9520.0780; 9520.0790; 9520.0800; 9520.0810; 9520.0820; 9520.0830; 9520.0840; 9520.0850; 9520.0860; 9520.0870; 9530.6800; 9530.6810.

Reported the same back with the following amendments:

Page 12, line 15, delete "$9,000,000" and insert "$9,750,000 in fiscal year 2023 and $14,000,000 per year beginning July 1, 2023"

Page 18, line 2, delete "six" and insert "12"

Page 18, line 9, delete "six-month" and insert "12-month"

Page 23, line 6, delete "six" and insert "12"

Page 74, after line 10, insert:

"Sec. 56. Minnesota Statutes 2020, section 256L.07, subdivision 2, is amended to read:

Subd. 2. **Must not have access to employer-subsidized minimum essential coverage.** (a) To be eligible, a family or individual must not have access to subsidized health coverage that is affordable and provides minimum value as defined in Code of Federal Regulations, title 26, section 1.36B-2.

(b) Notwithstanding paragraph (a), an individual who has access through a spouse's or parent's employer to subsidized health coverage that is deemed minimum essential coverage under Code of Federal Regulations, title 26, section 1.36B-2, is eligible for MinnesotaCare if the employee's portion of the annual premium for employee and dependent coverage exceeds the required contribution percentage, as defined for premium tax credit eligibility under United States Code, title 26, section 36B(c)(2)(C)(i)(II), as indexed according to item (iv) of that section, of the individual's household income for the coverage year.

(c) This subdivision does not apply to a family or individual who no longer has employer-subsidized coverage due to the employer terminating health care coverage as an employee benefit.

EFFECTIVE DATE. This section is effective January 1, 2022."

Page 74, after line 28, insert:

"Sec. 59. Minnesota Statutes 2020, section 256L.15, subdivision 2, is amended to read:

Subd. 2. **Sliding fee scale; monthly individual or family income.** (a) The commissioner shall establish a sliding fee scale to determine the percentage of monthly individual or family income that households at different income levels must pay to obtain coverage through the MinnesotaCare program. The sliding fee scale must be based on the enrollee's monthly individual or family income.

(b) Beginning January 1, 2014, MinnesotaCare enrollees shall pay premiums according to the premium scale specified in paragraph (d).

(c) Paragraph (b) does not apply to:

(1) children 20 years of age or younger; and

(2) individuals with household incomes below 35 percent of the federal poverty guidelines.

(d) The following premium scale is established for each individual in the household who is 21 years of age or older and enrolled in MinnesotaCare:

Federal Poverty Guideline Greater than or Equal to	Less than	Individual Premium Amount
35%	55%	$4
55%	80%	$6
80%	90%	$8
90%	100%	$10
100%	110%	$12
110%	120%	$14
120%	130%	$15
130%	140%	$16
140%	150%	$25
150%	160%	$37
160%	170%	$44
170%	180%	$52
180%	190%	$61
190%	200%	$71
200%		$80

(e) Retroactive to January 1, 2021, the commissioner shall adjust the premium schedule under paragraph (d) to ensure that MinnesotaCare premiums do not exceed the amount that an individual would have been required to pay if the individual was enrolled in an applicable benchmark plan in accordance with Code of Federal Regulations, title 42, section 600.505(a)(1).

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

Page 170, line 27, delete the second semicolon

Page 170, line 28, delete "COMPARISON TOOL"

Page 221, after line 26, insert:

"Sec. 58. Minnesota Statutes 2020, section 144G.54, subdivision 3, is amended to read:

Subd. 3. **Appeals process.** (a) The Office of Administrative Hearings must conduct an expedited hearing using the procedures in Minnesota Rules, parts 1400.8505 to 1400.8612, as soon as practicable under this section, but in no event later than 14 calendar days after the office receives the request, unless the parties agree otherwise or the chief administrative law judge deems the timing to be unreasonable, given the complexity of the issues presented.

(b) The hearing must be held at the facility where the resident lives, unless holding the hearing at that location is impractical, the parties agree to hold the hearing at a different location, or the chief administrative law judge grants a party's request to appear at another location or by telephone or interactive video.

(c) The hearing is not a formal contested case proceeding conducted according to the procedures in Minnesota Rules, parts 1400.5010 to 1400.8400, except when determined necessary by the chief administrative law judge.

(d) Parties may but are not required to be represented by counsel. The appearance of a party without counsel does not constitute the unauthorized practice of law.

(e) The hearing shall be limited to the amount of time necessary for the participants to expeditiously present the facts about the proposed termination. The administrative law judge shall issue a recommendation to the commissioner as soon as practicable, but in no event later than ten business days after the hearing.

EFFECTIVE DATE. This section is effective August 1, 2021."

Page 229, delete section 66

Page 403, line 18, delete "sections 119B.04; and" and insert "section" and delete "are" and insert "is"

Page 542, line 14, strike the third "and"

Page 573, line 1, delete "April 1, 2021" and insert "June 30, 2022"

Page 622, after line 24, insert:

"Section 1. **[3.9215] OMBUDSPERSON FOR AMERICAN INDIAN FAMILIES.**

Subdivision 1. **Scope.** In recognition of the sovereign status of Indian Tribes and the unique laws and standards involved in protecting Indian children, this section creates the Office of the Ombudsperson for American Indian Families and gives the ombudsperson the powers and duties necessary to effectively carry out the functions of the office.

Subd. 2. **Creation.** The ombudsperson shall operate independently from and in collaboration with the Indian Affairs Council and the American Indian Child Welfare Advisory Council under section 260.835.

Subd. 3. **Selection; qualifications.** The ombudsperson shall be selected by the American Indian community-specific board established in section 3.9216. The ombudsperson serves in the unclassified service at the pleasure of the community-specific board and may be removed only for just cause. Each ombudsperson must be selected without regard to political affiliation and shall be a person highly competent and qualified to analyze questions of law, administration, and public policy regarding the protection and placement of children. In addition, the ombudsperson must be experienced in working collaboratively with the American Indian and Alaskan Native communities or nations and knowledgeable about the needs of those communities, the Indian Child Welfare Act and Minnesota Indian Family Preservation Act, and best practices regarding prevention, cultural resources, and historical trauma. No individual may serve as the ombudsperson for American Indian families while holding any other public office.

Subd. 4. **Appropriation.** Money appropriated for the ombudsperson for American Indian families from the general fund or the special fund authorized by section 256.01, subdivision 2, paragraph (o), is under the control of the ombudsperson. The amount necessary for the ombudsperson to carry out the duties in this section is annually appropriated from the general fund to the ombudsperson. This appropriation is available until expended and is in addition to the appropriation under section 257.0769, subdivision 1, paragraph (a).

Subd. 5. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given them.

(b) "Agency" means the local district courts or a designated county social service agency as defined in section 256G.02, subdivision 7, engaged in providing child protection and placement services for children. Agency also means any individual, service, organization, or program providing child protection, placement, or adoption services in coordination with or under contract with any other entity specified in this subdivision, including guardians ad litem.

(c) "American Indian" refers to individuals who are members of federally recognized Tribes, eligible for membership in a federally recognized Tribe, or children or grandchildren of a member of a federally recognized Tribe. American Indian is a political status established through treaty rights between the federal government and Tribes. Each Tribe has a unique culture and practices specific to the Tribe.

(d) "Facility" means any entity required to be licensed under chapter 245A.

(e) "Indian custodian" has the meaning given in United States Code, title 25, section 1903.

Subd. 6. **Organization.** (a) The ombudsperson may select, appoint, and compensate assistants and employees that the ombudsperson finds necessary to discharge responsibilities. All employees, except the secretarial and clerical staff, serve at the pleasure of the ombudsperson in the unclassified service. The ombudsperson and full-time staff are members of the Minnesota State Retirement Association.

(b) The ombudsperson may delegate to staff members or members of the American Indian Community-Specific Board under section 3.9216 any of the ombudsperson's authority or duties except the duty of formally making recommendations to an administrative agency or reports to the Office of the Governor or to the legislature.

Subd. 7. **Duties and powers.** (a) The ombudsperson has the duties listed in this paragraph.

(1) The ombudsperson shall monitor agency compliance with all laws governing child protection and placement, public education, and housing issues related to child protection that impact American Indian children and their families. In particular, the ombudsperson shall monitor agency compliance with sections 260.751 to 260.835; section 260C.193, subdivision 3; and section 260C.215.

(2) The ombudsperson shall work with local state courts to ensure that:

(i) court officials, public policy makers, and service providers are trained in cultural competency. The ombudsperson shall document and monitor court activities to heighten awareness of diverse belief systems and family relationships;

(ii) qualified expert witnesses from the appropriate American Indian community, including Tribal advocates, are used as court advocates and are consulted in placement decisions that involve American Indian children; and

(iii) guardians ad litem and other individuals from American Indian communities are recruited, trained, and used in court proceedings to advocate on behalf of American Indian children.

(3) The ombudsperson shall primarily work on behalf of American Indian children and families, but shall also work on behalf of any Minnesota children and families as the ombudsperson deems necessary and appropriate.

(b) The ombudsperson has the authority to investigate decisions, acts, and other matters of an agency, program, or facility providing protection or placement services to American Indian children. In carrying out this authority and the duties in paragraph (a), the ombudsperson has the power to:

(1) prescribe the methods by which complaints are made, reviewed, and acted upon;

(2) determine the scope and manner of investigations;

(3) investigate, upon a complaint or upon personal initiative, any action of any agency;

(4) request and be given access to any information in the possession of any agency deemed necessary for the discharge of responsibilities. The ombudsperson is authorized to set reasonable deadlines within which an agency must respond to requests for information. Data obtained from any agency under this clause retains the classification that the data has under section 13.02 and the ombudsperson shall maintain and disseminate the data according to chapter 13;

(5) examine the records and documents of an agency;

(6) enter and inspect, during normal business hours, premises within the control of an agency; and

(7) subpoena any agency personnel to appear, testify, or produce documentation or other evidence that the ombudsperson deems relevant to a particular matter under investigation, and petition the appropriate state court to seek enforcement of the subpoena. Any witness at a hearing or for an investigation has the same privileges of a witness in the courts or under the laws of this state. The ombudsperson may compel individuals who are not agency personnel to testify or produce evidence according to procedures developed by the advisory board.

(c) The ombudsperson may apply for grants and accept gifts, donations, and appropriations for training relating to the duties of the ombudsperson. Grants, gifts, donations, and appropriations received by the ombudsperson shall be used for training. The ombudsperson may seek and apply for grants to develop new programs and initiatives and to continue existing programs and initiatives. These funds may not be used for operating expenses for the Office of the Ombudsperson for American Indian Families.

Subd. 8. **Matters appropriate for review.** (a) In selecting matters for review, an ombudsperson should give particular attention to actions of an agency, facility, or program that:

(1) may be contrary to law or rule;

(2) may be unreasonable, unfair, oppressive, or inconsistent with a policy or order of an agency, facility, or program;

(3) may result in abuse or neglect of a child;

(4) may disregard the rights of a child or another individual served by an agency or facility; or

(5) may be unclear or inadequately explained, when reasons should have been revealed.

(b) The ombudsperson shall, in selecting matters for review, inform other interested agencies in order to avoid duplicating other investigations or regulatory efforts, including activities undertaken by a Tribal organization under the authority of sections 260.751 to 260.835.

Subd. 9. **Complaints.** The ombudsperson may receive a complaint from any source concerning an action of an agency, facility, or program. After completing a review, the ombudsperson shall inform the complainant, agency, facility, or program. Services to a child shall not be unfavorably altered as a result of an investigation or complaint. An agency, facility, or program shall not retaliate or take adverse action, as defined in section 260E.07, against an individual who, in good faith, makes a complaint or assists in an investigation.

Subd. 10. **Recommendations to agency.** (a) If, after reviewing a complaint or conducting an investigation and considering the response of an agency, facility, or program and any other pertinent material, the ombudsperson determines that the complaint has merit or that the investigation reveals a problem, the ombudsperson may recommend that the agency, facility, or program:

(1) consider the matter further;

(2) modify or cancel its actions;

(3) alter a rule, order, or internal policy;

(4) explain more fully the action in question; or

(5) take other action as authorized under section 257.0762.

(b) At the ombudsperson's request, the agency, facility, or program shall, within a reasonable time, inform the ombudsperson about the action taken on the recommendation or the reasons for not complying with the recommendation.

(c) Data obtained from any agency under this section retains the classification that the data has under section 13.02, and the ombudsperson shall maintain and disseminate the data according to chapter 13.

Subd. 11. **Recommendations and public reports.** (a) The ombudsperson may send conclusions and suggestions concerning any reviewed matter to the governor and shall provide copies of all reports to the advisory board and to the groups specified in section 257.0768, subdivision 1. Before making public a conclusion or recommendation that expressly or implicitly criticizes an agency, facility, program, or any person, the ombudsperson shall inform the governor and the affected agency, facility, program, or person concerning the conclusion or recommendation. When sending a conclusion or recommendation to the governor that is adverse to an agency, facility, program, or any person, the ombudsperson shall include any statement of reasonable length made by that agency, facility, program, or person in defense or mitigation of the ombudsperson's conclusion or recommendation.

(b) In addition to conclusions or recommendations that the ombudsperson makes to the governor on an ad hoc basis, the ombudsperson shall, at the end of each year, report to the governor concerning the exercise of the ombudsperson's functions during the preceding year.

Subd. 12. **Civil actions.** The ombudsperson and designees are not civilly liable for any action taken under this section if the action was taken in good faith, was within the scope of the ombudsperson's authority, and did not constitute willful or reckless misconduct.

Subd. 13. **Use of funds.** Any funds received by the ombudsperson from any source may be used to compensate members of the American Indian community-specific board for reasonable and necessary expenses incurred in aiding and assisting the ombudsperson in programs and initiatives.

Sec. 2. **[3.9216] AMERICAN INDIAN COMMUNITY-SPECIFIC BOARD.**

Subdivision 1. **Membership.** The board consists of five members who are members of a federally recognized Tribe or members of the American Indian community. The chair of the Indian Affairs Council shall appoint the members of the board. In making appointments, the chair must consult with other members of the council.

Subd. 2. **Compensation.** Members do not receive compensation but are entitled to receive reimbursement for reasonable and necessary expenses incurred doing board-related work, including travel for meetings, trainings, and presentations. Board members may also receive per diem payments in a manner and amount prescribed by the board.

Subd. 3. **Meetings.** The board shall meet regularly at the request of the appointing chair, board chair, or ombudsperson. The board must meet at least quarterly. The appointing chair, board chair, or ombudsperson may also call special or emergency meetings as necessary.

Subd. 4. **Removal and vacancy.** (a) A member may be removed by the appointing authority at any time, either for cause, as described in paragraph (b), or after missing three consecutive meetings, as described in paragraph (c).

(b) If a removal is for cause, the member must be given notice and an opportunity for a hearing before removal.

(c) After a member misses two consecutive meetings, and before the next meeting, the board chair shall notify the member in writing that the member may be removed if the member misses the next meeting. If a member misses three consecutive meetings, the board chair must notify the appointing authority.

(d) If there is a vacancy on the board, the appointing authority shall appoint a person to fill the vacancy for the remainder of the unexpired term.

Subd. 5. **Duties.** (a) The board shall appoint the Ombudsperson for American Indian Families and shall advise and assist the ombudsperson in various ways, including, but not limited to:

(1) selecting matters for attention;

(2) developing policies, plans, and programs to carry out the ombudsperson's functions and powers;

(3) attending policy meetings when requested by the ombudsperson;

(4) establishing protocols for working with American Indian communities;

(5) developing procedures for the ombudsperson's use of the subpoena power to compel testimony and evidence from individuals who are not agency personnel; and

(6) making reports and recommendations for changes designed to improve standards of competence, efficiency, justice, and protection of rights.

(b) The board shall not make individual case recommendations.

Subd. 6. **Grants, gifts, donations, and appropriations.** The board may apply for grants for the purpose of training and educating the American Indian community on child protection issues involving American Indian families. The board may also accept gifts, donations, and appropriations for training and education. Grants, gifts, donations, and appropriations received by the board shall be used for training and education purposes. The board may seek and apply for grants to develop new programs and initiatives and to continue existing programs and initiatives. These funds may also be used to reimburse board members for reasonable and necessary expenses incurred in aiding and assisting the Office of the Ombudsperson for American Indian Families in Office of the Ombudsperson for American Indian Families programs and initiatives, but may not be used for operating expenses for the Office of Ombudsperson for American Indian Families.

Subd. 7. **Terms and expiration.** The terms and expiration of board membership are governed by section 15.0575."

Page 628, line 2, delete the new language and strike "and" and insert "scheduled meetings with no more than three absences per year,"

Page 628, line 3, after "meetings" insert a comma

Page 628, after line 16, insert:

"Sec. 7. Minnesota Statutes 2020, section 257.0755, subdivision 1, is amended to read:

Subdivision 1. **Creation.** Each ombudsperson shall operate independently from but in collaboration with the community-specific board that appointed the ombudsperson under section 257.0768: ~~the Indian Affairs Council,~~ the Minnesota Council on Latino Affairs, the Council for Minnesotans of African Heritage, and the Council on Asian-Pacific Minnesotans.

Sec. 8. Minnesota Statutes 2020, section 257.076, subdivision 3, is amended to read:

Subd. 3. **Communities of color.** "Communities of color" means the following: ~~American Indian,~~ Hispanic-Latino, Asian-Pacific, African, and African-American communities.

Sec. 9. Minnesota Statutes 2020, section 257.076, subdivision 5, is amended to read:

Subd. 5. **Family of color.** "Family of color" means any family with a child under the age of 18 who is identified by one or both parents or another trusted adult to be of ~~American Indian,~~ Hispanic-Latino, Asian-Pacific, African, or African-American descent.

Sec. 10. Minnesota Statutes 2020, section 257.0768, subdivision 1, is amended to read:

Subdivision 1. **Membership.** ~~Four~~ Three community-specific boards are created. Each board consists of five members. The chair of each of the following groups shall appoint the board for the community represented by the group: ~~the Indian Affairs Council;~~ the Minnesota Council on Latino Affairs; the Council for Minnesotans of African Heritage; and the Council on Asian-Pacific Minnesotans. In making appointments, the chair must consult with other members of the council.

Sec. 11. Minnesota Statutes 2020, section 257.0768, subdivision 6, is amended to read:

Subd. 6. **Joint meetings.** The members of the ~~four~~ three community-specific boards shall meet jointly at least four times each year to advise the ombudspersons on overall policies, plans, protocols, and programs for the office.

Sec. 12. Minnesota Statutes 2020, section 257.0769, is amended to read:

257.0769 FUNDING FOR THE OMBUDSPERSON PROGRAM.

Subdivision 1. **Appropriations.** (a) ~~money is appropriated from~~ $23,000 from the special fund authorized by section 256.01, subdivision 2, paragraph (o), is annually appropriated to the ~~Indian Affairs Council~~ Office of Ombudsperson for American Indian Families for the ~~purposes~~ purpose of ~~sections 257.0755 to 257.0768~~ section 3.9215.

(b) ~~money is appropriated from~~ $69,000 from the special fund authorized by section 256.01, subdivision 2, paragraph (o), is annually appropriated to the ~~Minnesota Council on Latino Affairs~~ Office of Ombudsperson for Families for the purposes of sections 257.0755 to 257.0768.

~~(c) Money is appropriated from the special fund authorized by section 256.01, subdivision 2, paragraph (o), to the Council for Minnesotans of African Heritage for the purposes of sections 257.0755 to 257.0768.~~

~~(d) Money is appropriated from the special fund authorized by section 256.01, subdivision 2, paragraph (o), to the Council on Asian-Pacific Minnesotans for the purposes of sections 257.0755 to 257.0768.~~

Subd. 2. **Title IV-E reimbursement.** The commissioner shall obtain federal title IV-E financial participation for eligible activity by the ombudsperson for families under section 257.0755 and the ombudsperson for American Indian families under section 3.9215. The ombudsperson for families and the ombudsperson for American Indian families shall maintain and transmit to the Department of Human Services documentation that is necessary in order to obtain federal funds.

Sec. 13. **TRANSFER OF MONEY.**

Before the end of fiscal year 2021, the Office of the Ombudsperson for Families must transfer to the Office of the Ombudsperson for American Indian Families any remaining money designated for use by the Ombudsperson for American Indian Families. This section is cost-neutral."

Page 783, line 26, after "Paragraphs" insert "(b),"

Page 836, line 19, delete "9,104,404,000" and insert "9,012,439,000" and delete "9,590,575,000" and insert "9,579,858,000"

Page 836, line 22, delete "7,945,812,000" and insert "7,928,908,000" and delete "8,456,923,000" and insert "8,454,516,000"

Page 836, line 25, delete "867,214,000" and insert "792,153,000" and delete "845,520,000" and insert "837,210,000"

Page 840, delete subdivision 3

Renumber the subdivisions in sequence

Page 841, line 25, delete "175,025,000" and insert "174,946,000" and delete "168,967,000" and insert "170,629,000"

Page 844, line 3, delete "26,005,000" and insert "26,282,000" and delete "23,992,000" and insert "24,142,000"

Page 844, line 4, delete the first "28,168,000" and insert "30,168,000"

Page 848, line 5, delete "207,437,000" and insert "113,474,000" and delete "184,822,000" and insert "159,610,000"

Page 848, line 11, delete "6,058,256,000" and insert "6,041,354,000" and delete "6,577,278,000" and insert "6,553,259,000"

Page 848, line 12, delete "611,178,000" and insert "628,080,000" and delete "612,099,000" and insert "629,001,000"

Page 848, line 13, before "Behavioral" insert "(a)"

Page 848, after line 22, insert:

"(b) **Base Level Adjustment.** The health care access fund base is $604,758,000 in fiscal year 2024 and $604,758,000 in fiscal year 2025."

Page 852, line 31, delete "34,240,000" and insert "34,040,000" and delete "34,240,000" and insert "34,040,000"

Page 857, line 12, delete "36 to 40" and insert "35 to 39"

Page 858, line 29, delete "259,373,000" and insert "268,895,000" and delete "251,881,000" and insert "261,403,000"

Page 858, line 32, delete "156,337,000" and insert "165,859,000" and delete "150,554,000" and insert "160,076,000"

Page 859, line 8, delete "113,697,000" and insert "123,219,000" and delete "112,692,000" and insert "122,214,000"

Page 860, line 21, delete "Morbidity and"

Page 860, line 24, delete "maternal morbidity studies"

Page 860, line 25, delete "and"

Page 860, line 26, delete "sections" and insert "section" and delete "and 145.9013"

Page 861, lines 1 and 2, delete "$2,978,000" and insert "$7,500,000"

Page 861, line 5, delete everything after the period

Page 861, delete lines 6 and 7

Page 861, lines 9 and 10, delete "$5,000,000" and insert "$7,500,000"

Page 862, lines 29 and 30, delete "$2,500,000" and insert "$5,000,000"

Page 864, line 13, delete "$110,762,000" and insert "$120,834,000"

Page 864, line 14, delete "$111,787,000" and insert "$120,787,000"

Page 869, line 25, delete "733,000" and insert "968,000" and delete "744,000" and insert "992,000"

Page 875, after line 19, insert:

"Sec. 12. **APPROPRIATION; MINNESOTACARE PREMIUMS.**

$108,000 in fiscal year 2021 is appropriated from the general fund and $44,000 in fiscal year 2021 is appropriated from the health care access fund to the commissioner of human services to implement changes to MinnesotaCare premiums.

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

Renumber the sections in sequence

Correct the title numbers accordingly

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. No. 2128 was read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 1846 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Morrison introduced:

H. F. No. 2554, A bill for an act relating to natural resources; transferring responsibility for mining promotion.

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

Morrison introduced:

H. F. No. 2555, A bill for an act relating to taxation; sales and use; providing a sales tax exemption on construction materials for the city of Excelsior; appropriating money.

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

Morrison introduced:

H. F. No. 2556, A bill for an act relating to game and fish; requiring the use of nontoxic ammunition; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 97B.

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

Masin and Xiong, J., introduced:

H. F. No. 2557, A bill for an act relating to natural resources; requiring certain determinations before issuing nonferrous mining permits; amending Minnesota Statutes 2020, sections 93.001; 115.03, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 93.

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

Grossell, Novotny, Erickson, Koznick and Theis introduced:

H. F. No. 2558, A bill for an act relating to public safety; revising posttraumatic stress syndrome benefits that law enforcement agencies must provide peace officers; amending Minnesota Statutes 2020, section 299A.475.

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

Munson, Miller, Bahr and Drazkowski introduced:

H. F. No. 2559, A bill for an act relating to transportation; amending the motor vehicle registration tax; amending Minnesota Statutes 2020, section 168.013, subdivision 1a.

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

Davids, Dettmer and Ecklund introduced:

H. F. No. 2560, A bill for an act relating to capital investment; appropriating money for the veterans home in Preston; authorizing the sale and issuance of state bonds.

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

Davids, Dettmer and Ecklund introduced:

H. F. No. 2561, A bill for an act relating to veterans affairs; appropriating money for upgrades and enhancements to the Preston state veterans home building project; requiring a report.

The bill was read for the first time and referred to the Committee on Labor, Industry, Veterans and Military Affairs Finance and Policy.

Grossell introduced:

H. F. No. 2562, A bill for an act relating to taxation; property; requiring state to pay costs of property tax judgments against state-assessed property; appropriating money; amending Minnesota Statutes 2020, section 278.12.

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

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

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

H. F. No. 2253, A bill for an act relating to workers' compensation; adopting recommendations of the Workers' Compensation Advisory Council; amending Minnesota Statutes 2020, sections 176.101, subdivision 1; 176.136, by adding a subdivision; 176.1362, subdivisions 1, 6; 176.1363, subdivisions 1, 2, 3; 176.194, subdivisions 3, 4; 176.223, as amended; 176.351, by adding a subdivision; Laws 2020, chapter 72, section 1.

CAL R. LUDEMAN, Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 1077, A bill for an act relating to housing; establishing a budget for the Minnesota Housing Finance Agency; adopting housing finance agency policy provisions; expanding eligibility requirements for certain affordable housing, workforce housing, and disaster recovery programs; increasing the agency debt limit; increasing the individual and family household income limits under the community land trusts program; expanding requirements and uses and loan amount under the rehabilitation loan program; expanding allowable uses of housing infrastructure bonds; refunding certain deposits to bond issuers; creating the lead safe homes grant program; creating the Naturally Occurring Affordable Housing grant program; establishing a task force on shelter resident rights and shelter provider practices; expanding rental lease covenants and remedies available to tenants; expanding accommodation requirements for service and support animals; expanding procedural and reporting requirements for evictions; limiting public access to pending eviction actions; expanding eligibility for certain expungements of eviction case files; permitting manufactured homes affixed to certain property to be deemed an improvement to real property; providing residents an opportunity to purchase manufactured home parks; making technical and conforming changes; appropriating money; amending Minnesota Statutes 2020, sections 12A.09, subdivision 3; 256C.02; 273.11, subdivision 12; 273.125, subdivision 8; 363A.09, subdivision 5; 462A.05, subdivisions 14, 14a, by adding a subdivision; 462A.07, subdivision 2; 462A.204, subdivision 3; 462A.22, subdivision 1; 462A.30, subdivision 9; 462A.37, subdivisions 1, 2; 462A.38, subdivision 1; 462A.39, subdivisions 2, 5; 474A.21; 484.014, subdivisions 2, 3; 504B.001, subdivision 4; 504B.135; 504B.161, subdivision 1; 504B.211, subdivisions 2, 6; 504B.241, subdivision 4; 504B.245; 504B.321; 504B.331; 504B.335; 504B.345, subdivision 1, by adding a subdivision; 504B.361, subdivision 1; 504B.371, subdivisions 4, 5, 7; 504B.375, subdivision 1; 504B.381, subdivisions 1, 5, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 168A; 327C; 462A; 504B; repealing Minnesota Statutes 2020, sections 168A.141; 327C.096; 504B.341.

CAL R. LUDEMAN, Secretary of the Senate

Hausman moved that the House refuse to concur in the Senate amendments to H. F. No. 1077, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 1079, A bill for an act relating to state government; appropriating money from outdoor heritage, clean water, parks and trails, and arts and cultural heritage funds; modifying and extending prior appropriations; modifying requirements to use money from legacy funds; modifying trail provisions; modifying provisions for joint exercise of powers; requiring reports and studies; amending Minnesota Statutes 2020, sections 85.015, subdivision 10; 85.53, subdivision 2; 97A.056, subdivisions 9, 11; 114D.50, subdivision 4; 129D.17, subdivision 2; 471.59, subdivision 1; Laws 2017, chapter 91, article 2, sections 3; 5; 6; 8; Laws 2019, First Special Session chapter 2, article 2, sections 3; 4; 5; 6; 7; 8; 9; article 4, section 2, subdivision 6; Laws 2020, chapter 104, article 1, section 2, subdivision 5.

CAL R. LUDEMAN, Secretary of the Senate

Lillie moved that the House refuse to concur in the Senate amendments to H. F. No. 1079, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Madam Speaker:

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

S. F. No. 975, A bill for an act relating to higher education; providing funding and related policy changes for the Office of Higher Education, Minnesota State Colleges and Universities, the University of Minnesota, and the Mayo Clinic; creating and modifying certain student aid programs; creating a direct admissions pilot program; requiring reports; appropriating money; amending Minnesota Statutes 2020, sections 136A.101, subdivision 5a; 136A.121, subdivisions 2, 6, 9; 136A.125, subdivisions 2, 4; 136A.126, subdivisions 1, 4; 136A.1275; 136A.1791; 136A.246, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, by adding a subdivision; 136A.63, subdivision 2; 136A.645; 136A.653, subdivision 5; 136A.68; 136A.822, subdivision 12; 136A.8225; 136A.823, by adding a subdivision; 136A.827, subdivisions 4, 8; 136F.20, by adding a subdivision; 136F.245, subdivisions 1, 2, by adding a subdivision; 136F.305, subdivisions 2, 3, 4; 136F.38, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 135A; 136A; 136F; 137; repealing Minnesota Statutes 2020, sections 136A.1703; 136A.823, subdivision 2; 136F.245, subdivision 3; Laws 2014, chapter 312, article 1, section 4, subdivision 2; Minnesota Rules, parts 4830.9050; 4830.9060; 4830.9070; 4830.9080; 4830.9090.

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

Senators Tomassoni, Rarick, Goggin, Jasinski and Clausen.

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

CAL R. LUDEMAN, Secretary of the Senate

Bernardy moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 5 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 975. The motion prevailed.

Madam Speaker:

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

S. F. No. 1098, A bill for an act relating to economic development; labor and industry; appropriating money for jobs and economic growth finance; classifying apprenticeship data on minors; modifying employee notice requirements; requiring a written warning upon the first finding of a violation determined not to be of a serious nature; modifying state building code applicability and fire sprinkler requirements for public places of accommodation; delaying implementation of the Public Employment Relations Board; authorizing the continued operation of businesses during the COVID-19 pandemic with the use of a COVID-19 safety plan; modifying the Minnesota business development public infrastructure grant program; extending certain job creation goals for Minnesota investment fund grants during the COVID-19 pandemic; modifying certain unemployment benefits provisions; amending Minnesota Statutes 2020, sections 12.32; 13.7905, by adding a subdivision; 116J.431, subdivisions 2, 3, by adding a subdivision; 178.012, subdivision 1; 181.032; 181.101; 181.939; 182.666, subdivision 3; 268.035, subdivision 21c; 268.085, subdivisions 2, 4a; 268.133; 268.136, subdivision 1; 326B.07, subdivision 1; 326B.106, subdivision 4; 326B.108, subdivisions 1, 3, by adding a subdivision; 326B.121, subdivision 2; 326B.133, subdivision 8; 326B.89, subdivision 4; Laws 2014, chapter 211, section 13, as amended; Laws 2017, chapter 94, article 1, section 2, subdivision 2, as amended; Laws 2019, First Special Session chapter 7, article 1, sections 2, subdivision 2, as amended; 3, subdivision 4; Laws 2020, chapter 71, article 2, sections 20; 22; 23; proposing coding for new law in Minnesota Statutes, chapters 12; 181A; repealing Minnesota Statutes 2020, sections 181.9414; 268.085, subdivision 4.

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

Senators Pratt, Rarick, Housley, Draheim and Eken.

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

CAL R. LUDEMAN, Secretary of the Senate

Noor moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 5 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 1098. The motion prevailed.

Madam Speaker:

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

S. F. Nos. 193, 443 and 1807.

CAL R. LUDEMAN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 193, A bill for an act relating to health occupations; creating a psychology interjurisdictional compact; proposing coding for new law in Minnesota Statutes, chapter 148.

The bill was read for the first time.

Morrison moved that S. F. No. 193 and H. F. No. 269, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 443, A bill for an act relating to public safety; requiring disclosure of a person's status as a registered predatory offender to a hospice provider; amending Minnesota Statutes 2020, section 243.166, subdivision 4b.

The bill was read for the first time.

Edelson moved that S. F. No. 443 and H. F. No. 331, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1807, A bill for an act relating to real property; extending sunset of temporary exception for certain filings of mortgages and deeds of trust; amending Laws 2020, chapter 118, section 4.

The bill was read for the first time.

Hollins moved that S. F. No. 1807 and H. F. No. 2245, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

MOTIONS AND RESOLUTIONS

TAKEN FROM TABLE

Stephenson moved that S. F. No. 972 be taken from the table. The motion prevailed.

S. F. No. 972 was reported to the House.

Stephenson moved to amend S. F. No. 972, the third engrossment, as follows:

Delete everything after the enacting clause and insert the following language of H. F. No. 1031, the second engrossment:

"ARTICLE 1
COMMERCE FINANCE

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively. "The first year" is fiscal year 2022. "The second year" is fiscal year 2023. "The biennium" is fiscal years 2022 and 2023. If an appropriation in this act is enacted more than once in the 2021 legislative session, the appropriation must be given effect only once.

	APPROPRIATIONS Available for the Year Ending June 30	
	2022	**2023**
Sec. 2. **DEPARTMENT OF COMMERCE**		
Subdivision 1. **Total Appropriation**	**$27,603,000**	**$26,920,000**

Appropriations by Fund

	2022	2023
General	24,267,000	24,061,000
Special Revenue	2,570,000	2,093,000
Workers' Compensation Fund	766,000	766,000

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

Subd. 2. **Financial Institutions**	1,923,000	1,941,000

Appropriations by Fund

General	1,923,000	1,941,000

(a) $400,000 each year is for a grant to Prepare and Prosper to develop, market, evaluate, and distribute a financial services inclusion program that (1) assists low-income and financially underserved populations to build savings and strengthen credit, and (2) provides services to assist low-income and financially underserved populations to become more financially stable and secure. Money remaining after the first year is available for the second year.

(b) $254,000 each year is to administer the requirements of Minnesota Statutes, chapter 58B.

Subd. 3. **Administrative Services** 9,346,000 8,821,000

(a) $392,000 in the first year and $401,000 in the second year are for additional compliance efforts with unclaimed property. The commissioner may issue contracts for these services.

(b) $5,000 each year is for Real Estate Appraisal Advisory Board compensation pursuant to Minnesota Statutes, section 82B.073, subdivision 2a.

(c) $353,000 each year is for system modernization and cybersecurity upgrades for the unclaimed property program.

(d) $564,000 each year is for additional operations of the unclaimed property program.

(e) $832,000 in the first year and $208,000 in the second year are for IT system modernization. The base in fiscal year 2024 and beyond is $0.

Subd. 4. **Telecommunications** 3,443,000 3,183,000

Appropriations by Fund

General	1,073,000	1,090,000
Special Revenue	2,370,000	2,093,000

$2,370,000 in the first year and $2,093,000 in the second year are from the telecommunications access Minnesota fund account in the special revenue fund for the following transfers:

(1) $1,620,000 each year is to the commissioner of human services to supplement the ongoing operational expenses of the Commission of Deaf, DeafBlind, and Hard-of-Hearing Minnesotans. This transfer is subject to Minnesota Statutes, section 16A.281;

(2) $290,000 each year is to the chief information officer to coordinate technology accessibility and usability;

(3) $410,000 in the first year and $133,000 in the second year are to the Legislative Coordinating Commission for captioning legislative coverage. This transfer is subject to Minnesota Statutes, section 16A.281. Notwithstanding any law to the contrary, the commissioner of management and budget must determine whether $310,000 of the expenditures authorized under this clause for the first year are eligible uses of federal funding received under the Coronavirus State Fiscal Recovery Fund or any other federal funds received by the state under the American Rescue Plan Act, Public Law 117-2. If the commissioner of management and budget determines an expenditure is eligible for funding under Public Law

117-2, the amount of the eligible expenditure is appropriated from the account where the federal funds have been deposited and the corresponding Telecommunications Access Minnesota Fund amounts appropriated under this clause cancel to the Telecommunications Access Minnesota Fund; and

(4) $50,000 each year is to the Office of MN.IT Services for a consolidated access fund to provide grants or services to other state agencies related to accessibility of web-based services.

Subd. 5. **Enforcement** 6,231,000 5,632,000

Appropriations by Fund

General	5,825,000	5,426,000
Workers' Compensation	206,000	206,000
Special Revenue Fund	200,000	-0-

(a) $283,000 in the first year and $286,000 in the second year are for health care enforcement.

(b) $201,000 each year is from the workers' compensation fund.

(c) $5,000 each year is from the workers' compensation fund for insurance fraud specialist salary increases.

(d) Notwithstanding Minnesota Statutes, section 297I.11, subdivision 2, $200,000 in the first year is from the auto theft prevention account in the special revenue fund for the catalytic converter theft prevention pilot project. This balance does not cancel but is available in the second year.

(e) $190,000 in the first year is from the general fund for the catalytic converter theft prevention pilot project. This balance does not cancel but is available in the second year. The general fund base for the catalytic converter theft prevention pilot project in fiscal year 2024 and fiscal year 2025 is $92,000.

(f) $300,000 in the first year is transferred from the consumer education account in the special revenue fund to the general fund. $300,000 in the first year is to the commissioner of education to issue grants of $150,000 each year to the Minnesota Council on Economic Education. This balance does not cancel but is available in the second year.

Subd. 6. **Insurance** 6,660,000 7,343,000

Appropriations by Fund

General	6,100,000	6,783,000
Workers' Compensation	560,000	560,000

(a) $656,000 in the first year and $671,000 in the second year are for health insurance rate review staffing.

(b) $421,000 in the first year and $431,000 in the second year are for actuarial work to prepare for implementation of principle-based reserves.

(c) $30,000 in the first year is to pay for two years of membership dues for Minnesota to the National Conference of Insurance Legislators.

(d) $428,000 in the first year and $432,000 in the second year are for licensing activities under Minnesota Statutes, chapter 62W. Of this amount, $246,000 each year must be used only for staff costs associated with two enforcement investigators to enforce Minnesota Statutes, chapter 62W.

(e) $560,000 each year is from the workers' compensation fund.

(f) $197,000 in the first year is to establish the Prescription Drug Affordability Board under Minnesota Statutes, section 62J.87. Following the first meeting of the board and prior to June 30, 2022, the commissioner shall transfer any funds remaining from this appropriation to the board.

(g) $358,000 in the second year is to the Prescription Drug Affordability Board established under Minnesota Statutes, section 62J.87, to implement the Prescription Drug Affordability Act.

(h) $456,000 in the second year is to the attorney general's office to enforce the Prescription Drug Affordability Act.

Sec. 3. **CANCELLATION; FISCAL YEAR 2021.**

$1,220,000 of the fiscal year 2021 general fund appropriation under Laws 2019, First Special Session chapter 7, article 1, section 6, subdivision 3, is canceled.

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

Sec. 4. **DEPARTMENT OF COMMERCE; APPROPRIATION.**

(a) $4,000 in fiscal year 2021 is appropriated from the workers' compensation fund to the commissioner of commerce for insurance fraud specialist salary increases.

(b) $97,000 in fiscal year 2021 is appropriated from the general fund to the commissioner of commerce for enforcement.

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

ARTICLE 2
PRESCRIPTION DRUG AFFORDABILITY BOARD

Section 1. **[62J.85] CITATION.**

Sections 62J.85 to 62J.95 may be cited as the "Prescription Drug Affordability Act."

Sec. 2. **[62J.86] DEFINITIONS.**

Subdivision 1. **Definitions.** For the purposes of sections 62J.85 to 62J.95, the following terms have the meanings given them.

Subd. 2. **Advisory council.** "Advisory council" means the Prescription Drug Affordability Advisory Council established under section 62J.88.

Subd. 3. **Biologic.** "Biologic" means a drug that is produced or distributed in accordance with a biologics license application approved under Code of Federal Regulations, title 42, section 447.502.

Subd. 4. **Biosimilar.** "Biosimilar" has the meaning given in section 62J.84, subdivision 2, paragraph (b).

Subd. 5. **Board.** "Board" means the Prescription Drug Affordability Board established under section 62J.87.

Subd. 6. **Brand name drug.** "Brand name drug" has the meaning given in section 62J.84, subdivision 2, paragraph (c).

Subd. 7. **Generic drug.** "Generic drug" has the meaning given in section 62J.84, subdivision 2, paragraph (e).

Subd. 8. **Group purchaser.** "Group purchaser" has the meaning given in section 62J.03, subdivision 6, and includes pharmacy benefit managers, as defined in section 62W.02, subdivision 15.

Subd. 9. **Manufacturer.** "Manufacturer" means an entity that:

(1) engages in the manufacture of a prescription drug product or enters into a lease with another manufacturer to market and distribute a prescription drug product under the entity's own name; and

(2) sets or changes the wholesale acquisition cost of the prescription drug product it manufacturers or markets.

Subd. 10. **Prescription drug product.** "Prescription drug product" means a brand name drug, a generic drug, a biologic, or a biosimilar.

Subd. 11. **Wholesale acquisition cost or WAC.** "Wholesale acquisition cost" or "WAC" has the meaning given in United States Code, title 42, section 1395W-3a(c)(6)(B).

Sec. 3. **[62J.87] PRESCRIPTION DRUG AFFORDABILITY BOARD.**

Subdivision 1. **Establishment.** The commissioner of commerce shall establish the Prescription Drug Affordability Board, which shall be governed as a board under section 15.012, paragraph (a), to protect consumers, state and local governments, health plan companies, providers, pharmacies, and other health care system stakeholders from unaffordable costs of certain prescription drugs.

Subd. 2. **Membership.** (a) The Prescription Drug Affordability Board consists of nine members appointed as follows:

(1) seven voting members appointed by the governor;

(2) one nonvoting member appointed by the majority leader of the senate; and

(3) one nonvoting member appointed by the speaker of the house.

(b) All members appointed must have knowledge and demonstrated expertise in pharmaceutical economics and finance or health care economics and finance. A member must not be an employee of, a board member of, or a consultant to a manufacturer or trade association for manufacturers or a pharmacy benefit manager or trade association for pharmacy benefit managers.

(c) Initial appointments shall be made by January 1, 2022.

Subd. 3. **Terms.** (a) Board appointees shall serve four-year terms, except that initial appointees shall serve staggered terms of two, three, or four years as determined by lot by the secretary of state. A board member shall serve no more than two consecutive terms.

(b) A board member may resign at any time by giving written notice to the board.

Subd. 4. **Chair; other officers.** (a) The governor shall designate an acting chair from the members appointed by the governor. The acting chair shall convene the first meeting of the board.

(b) The board shall elect a chair to replace the acting chair at the first meeting of the board by a majority of the members. The chair shall serve for one year.

(c) The board shall elect a vice-chair and other officers from the board's membership as the board deems necessary.

Subd. 5. **Staff; technical assistance.** (a) The board shall hire an executive director and other staff, who shall serve in the unclassified service. The executive director must have knowledge and demonstrated expertise in pharmacoeconomics, pharmacology, health policy, health services research, medicine, or a related field or discipline. The board may employ or contract for professional and technical assistance as the board deems necessary to perform the board's duties.

(b) The attorney general shall provide legal services to the board.

Subd. 6. **Compensation.** The board members shall not receive compensation but may receive reimbursement for expenses as authorized under section 15.059, subdivision 3.

Subd. 7. **Meetings.** (a) Meetings of the board are subject to chapter 13D. The board shall meet publicly at least every three months to review prescription drug product information submitted to the board under section 62J.90. If there are no pending submissions, the chair of the board may cancel or postpone the required meeting. The board may meet in closed session when reviewing proprietary information, as determined under the standards developed in accordance with section 62J.91, subdivision 4.

(b) The board shall announce each public meeting at least two weeks prior to the scheduled date of the meeting. Any materials for the meeting shall be made public at least one week prior to the scheduled date of the meeting.

(c) At each public meeting, the board shall provide the opportunity for comments from the public, including the opportunity for written comments to be submitted to the board prior to a decision by the board.

Sec. 4. **[62J.88] PRESCRIPTION DRUG AFFORDABILITY ADVISORY COUNCIL.**

Subdivision 1. **Establishment.** The governor shall appoint a 12-member stakeholder advisory council to provide advice to the board on drug cost issues and to represent stakeholders' views. The members of the advisory council shall be appointed based on the members' knowledge and demonstrated expertise in one or more of the following areas: the pharmaceutical business; practice of medicine; patient perspectives; health care cost trends and drivers; clinical and health services research; and the health care marketplace.

Subd. 2. **Membership.** The council's membership shall consist of the following:

(1) two members representing patients and health care consumers;

(2) two members representing health care providers;

(3) one member representing health plan companies;

(4) two members representing employers, with one member representing large employers and one member representing small employers;

(5) one member representing government employee benefit plans;

(6) one member representing pharmaceutical manufacturers;

(7) one member who is a health services clinical researcher;

(8) one member who is a pharmacologist; and

(9) one member with expertise in health economics representing the commissioner of health.

Subd. 3. **Terms.** (a) The initial appointments to the advisory council shall be made by January 1, 2022. The initial appointed advisory council members shall serve staggered terms of two, three, or four years determined by lot by the secretary of state. Following the initial appointments, the advisory council members shall serve four-year terms.

(b) Removal and vacancies of advisory council members is governed by section 15.059.

Subd. 4. **Compensation.** Advisory council members may be compensated according to section 15.059.

Subd. 5. **Meetings.** Meetings of the advisory council are subject to chapter 13D. The advisory council shall meet publicly at least every three months to advise the board on drug cost issues related to the prescription drug product information submitted to the board under section 62J.90.

Subd. 6. **Exemption.** Notwithstanding section 15.059, the advisory council does not expire.

Sec. 5. **[62J.89] CONFLICTS OF INTEREST.**

Subdivision 1. **Definition.** For purposes of this section, "conflict of interest" means a financial or personal association that has the potential to bias or have the appearance of biasing a person's decisions in matters related to the board, the advisory council, or in the conduct of the board's or council's activities. A conflict of interest includes any instance in which a person, a person's immediate family member, including a spouse, parent, child, or other legal dependent, or an in-law of any of the preceding individuals has received or could receive a direct or indirect financial benefit of any amount deriving from the result or findings of a decision or determination of the board. For purposes of this section, a financial benefit includes honoraria, fees, stock, the value of the member's, immediate family member's, or in-law's stock holdings, and any direct financial benefit deriving from the finding of a review conducted under sections 62J.85 to 62J.95. Ownership of securities is not a conflict of interest if the securities are: (1) part of a diversified mutual or exchange traded fund; or (2) in a tax-deferred or tax-exempt retirement account that is administered by an independent trustee.

Subd. 2. **General.** (a) Prior to the acceptance of an appointment or employment, or prior to entering into a contractual agreement, a board or advisory council member, board staff member, or third-party contractor must disclose to the appointing authority or the board any conflicts of interest. The information disclosed shall include the type, nature, and magnitude of the interests involved.

(b) A board member, board staff member, or third-party contractor with a conflict of interest with regard to any prescription drug product under review must recuse themselves from any discussion, review, decision, or determination made by the board relating to the prescription drug product.

(c) Any conflict of interest must be disclosed in advance of the first meeting after the conflict is identified or within five days after the conflict is identified, whichever is earlier.

Subd. 3. **Prohibitions.** Board members, board staff, or third-party contractors are prohibited from accepting gifts, bequeaths, or donations of services or property that raise the specter of a conflict of interest or have the appearance of injecting bias into the activities of the board.

Sec. 6. **[62J.90] PRESCRIPTION DRUG PRICE INFORMATION; DECISION TO CONDUCT COST REVIEW.**

Subdivision 1. **Drug price information from the commissioner of health and other sources.** (a) The commissioner of health shall provide to the board the information reported to the commissioner by drug manufacturers under section 62J.84, subdivisions 3, 4, and 5. The commissioner shall provide this information to the board within 30 days of the date the information is received from drug manufacturers.

(b) The board shall subscribe to one or more prescription drug pricing files, such as Medispan or FirstDatabank, or as otherwise determined by the board.

Subd. 2. **Identification of certain prescription drug products.** (a) The board, in consultation with the advisory council, shall identify the following prescription drug products:

(1) brand name drugs or biologics for which the WAC increases by more than ten percent or by more than $10,000 during any 12-month period or course of treatment if less than 12 months, after adjusting for changes in the Consumer Price Index (CPI);

(2) brand name drugs or biologics that have been introduced at a WAC of $30,000 or more per calendar year or per course of treatment;

(3) biosimilar drugs that have been introduced at a WAC that is not at least 15 percent lower than the referenced brand name biologic at the time the biosimilar is introduced; and

(4) generic drugs for which the WAC:

(i) is $100 or more, after adjusting for changes in the Consumer Price Index (CPI), for:

(A) a 30-day supply lasting a patient for a period of 30 consecutive days based on the recommended dosage approved for labeling by the United States Food and Drug Administration (FDA);

(B) a supply lasting a patient for fewer than 30 days based on recommended dosage approved for labeling by the FDA; or

(C) one unit of the drug if the labeling approved by the FDA does not recommend a finite dosage; and

(ii) is increased by 200 percent or more during the immediate preceding 12-month period, as determined by the difference between the resulting WAC and the average of the WAC reported over the preceding 12 months, after adjusting for changes in the Consumer Price Index (CPI).

(b) The board, in consultation with the advisory council, shall identify prescription drug products not described in paragraph (a) that may impose costs that create significant affordability challenges for the state health care system or for patients, including but not limited to drugs to address public health emergencies.

(c) The board shall make available to the public the names and related price information of the prescription drug products identified under this subdivision, with the exception of information determined by the board to be proprietary under the standards developed by the board under section 62J.91, subdivision 4.

Subd. 3. **Determination to proceed with review.** (a) The board may initiate a cost review of a prescription drug product identified by the board under this section.

(b) The board shall consider requests by the public for the board to proceed with a cost review of any prescription drug product identified under this section.

(c) If there is no consensus among the members of the board with respect to whether or not to initiate a cost review of a prescription drug product, any member of the board may request a vote to determine whether or not to review the cost of the prescription drug product.

Sec. 7. **[62J.91] PRESCRIPTION DRUG PRODUCT REVIEWS.**

Subdivision 1. **General.** Once a decision by the board has been made to proceed with a cost review of a prescription drug product, the board shall conduct the review and make a determination as to whether appropriate utilization of the prescription drug under review, based on utilization that is consistent with the United States Food and Drug Administration (FDA) label or standard medical practice, has led or will lead to affordability challenges for the state health care system or for patients.

Subd. 2. **Review considerations.** In reviewing the cost of a prescription drug product, the board may consider the following factors:

(1) the price at which the prescription drug product has been and will be sold in the state;

(2) the average monetary price concession, discount, or rebate the manufacturer provides to a group purchaser in this state as reported by the manufacturer and the group purchaser expressed as a percent of the WAC for prescription drug product under review;

(3) the price at which therapeutic alternatives have been or will be sold in the state;

(4) the average monetary price concession, discount, or rebate the manufacturer provides or is expected to provide to a group purchaser in the state or is expected to provide to group purchasers in the state for therapeutic alternatives;

(5) the cost to group purchasers based on patient access consistent with the United States Food and Drug Administration (FDA) labeled indications;

(6) the impact on patient access resulting from the cost of the prescription drug product relative to insurance benefit design;

(7) the current or expected dollar value of drug-specific patient access programs that are supported by manufacturers;

(8) the relative financial impacts to health, medical, or other social services costs that can be quantified and compared to baseline effects of existing therapeutic alternatives;

(9) the average patient co-pay or other cost-sharing for the prescription drug product in the state;

(10) any information a manufacturer chooses to provide; and

(11) any other factors as determined by the board.

Subd. 3. **Further review factors.** If, after considering the factors described in subdivision 2, the board is unable to determine whether a prescription drug product will produce or has produced an affordability challenge, the board may consider:

(1) manufacturer research and development costs, as indicated on the manufacturer's federal tax filing for the most recent tax year in proportion to the manufacturer's sales in the state;

(2) that portion of direct-to-consumer marketing costs eligible for favorable federal tax treatment in the most recent tax year that are specific to the prescription drug product under review and that are multiplied by the ratio of total manufacturer in-state sales to total manufacturer sales in the United States for the product under review;

(3) gross and net manufacturer revenues for the most recent tax year;

(4) any information and research related to the manufacturer's selection of the introductory price or price increase, including but not limited to:

(i) life cycle management;

(ii) market competition and context; and

(iii) projected revenue; and

(5) any additional factors determined by the board to be relevant.

Subd. 4. **Public data; proprietary information.** (a) Any submission made to the board related to a drug cost review shall be made available to the public, with the exception of information determined by the board to be proprietary.

(b) The board shall establish the standards for the information to be considered proprietary under paragraph (a) and section 62J.90, subdivision 2, including standards for heightened consideration of proprietary information for submissions for a cost review of a drug that is not yet approved by the FDA.

(c) Prior to the board establishing the standards under paragraph (b), the public shall be provided notice and the opportunity to submit comments.

Sec. 8. **[62J.92] DETERMINATIONS; COMPLIANCE; REMEDIES.**

Subdivision 1. **Upper payment limit.** (a) In the event the board finds that the spending on a prescription drug product reviewed under section 62J.91 creates an affordability challenge for the state health care system or for patients, the board shall establish an upper payment limit after considering:

(1) the cost to administer the drug;

(2) the cost to deliver the drug to consumers;

(3) the range of prices at which the drug is sold in the United States according to one or more pricing files accessed under section 62J.90, subdivision 1, and the range at which pharmacies are reimbursed in Canada; and

(4) any other relevant pricing and administrative cost information for the drug.

(b) The upper payment limit shall apply to all public and private purchases, payments, and payer reimbursements for the prescription drug product that is intended for individuals in the state in person, by mail, or by other means.

Subd. 2. **Noncompliance.** (a) The failure of an entity to comply with an upper payment limit established by the board under this section shall be referred to the Office of the Attorney General.

(b) If the Office of the Attorney General finds that an entity was noncompliant with the upper payment limit requirements, the attorney general may pursue remedies consistent with chapter 8 or appropriate criminal charges if there is evidence of intentional profiteering.

(c) An entity who obtains price concessions from a drug manufacturer that result in a lower net cost to the stakeholder than the upper payment limit established by the board shall not be considered to be in noncompliance.

(d) The Office of the Attorney General may provide guidance to stakeholders concerning activities that could be considered noncompliant.

Subd. 3. **Appeals.** (a) A person affected by a decision of the board may request an appeal of the board's decision within 30 days of the date of the decision. The board shall hear the appeal and render a decision within 60 days of the hearing.

(b) All appeal decisions are subject to judicial review in accordance with chapter 14.

Sec. 9. **[62J.93] REPORTS.**

Beginning March 1, 2022, and each March 1 thereafter, the board shall submit a report to the governor and legislature on general price trends for prescription drug products and the number of prescription drug products that were subject to the board's cost review and analysis, including the result of any analysis as well as the number and disposition of appeals and judicial reviews.

Sec. 10. **[62J.94] ERISA PLANS AND MEDICARE DRUG PLANS.**

(a) Nothing in sections 62J.85 to 62J.95 shall be construed to require ERISA plans or Medicare Part D plans to comply with decisions of the board, but are free to choose to exceed the upper payment limit established by the board under section 62J.92.

(b) Providers who dispense and administer drugs in the state must bill all payers no more than the upper payment limit without regard to whether or not an ERISA plan or Medicare Part D plan chooses to reimburse the provider in an amount greater than the upper payment limit established by the board.

(c) For purposes of this section, an ERISA plan or group health plan is an employee welfare benefit plan established by or maintained by an employer or an employee organization, or both, that provides employer sponsored health coverage to employees and the employee's dependents and is subject to the Employee Retirement Income Security Act of 1974 (ERISA).

Sec. 11. **[62J.95] SEVERABILITY.**

If any provision of sections 62J.85 to 62J.94 or the application of sections 62J.85 to 62J.94 to any person or circumstance is held invalid for any reason in a court of competent jurisdiction, the invalidity does not affect other provisions or any other application of sections 62J.85 to 62J.94 that can be given effect without the invalid provision or application.

ARTICLE 3
INSURANCE

Section 1. Minnesota Statutes 2020, section 60A.092, subdivision 10a, is amended to read:

Subd. 10a. **Other jurisdictions.** The reinsurance is ceded and credit allowed to an assuming insurer not meeting the requirements of subdivision 2, 3, 4, 5, ~~or~~ 10, or 10b, but only with respect to the insurance of risks located in jurisdictions where the reinsurance is required by applicable law or regulation of that jurisdiction.

EFFECTIVE DATE. This section is effective January 1, 2022, and applies to reinsurance contracts entered into or renewed on or after that date.

Sec. 2. Minnesota Statutes 2020, section 60A.092, is amended by adding a subdivision to read:

Subd. 10b. **Credit allowed; reciprocal jurisdiction.** (a) Credit shall be allowed when the reinsurance is ceded to an assuming insurer meeting each of the following conditions:

(1) the assuming insurer must have its head office in or be domiciled in, as applicable, and be licensed in a reciprocal jurisdiction. A "reciprocal jurisdiction" means a jurisdiction that is:

(i) a non-United States jurisdiction that is subject to an in-force covered agreement with the United States, each within its legal authority, or, in the case of a covered agreement between the United States and the European Union, is a member state of the European Union. For purposes of this subdivision, a "covered agreement" means an agreement entered into pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, United States Code, title 31, sections 313 and 314, that is currently in effect or in a period of provisional application and addresses the elimination, under specified conditions, of collateral requirements as a condition for entering into any reinsurance agreement with a ceding insurer domiciled in Minnesota or for allowing the ceding insurer to recognize credit for reinsurance;

(ii) a United States jurisdiction that meets the requirements for accreditation under the National Association of Insurance Commissioners (NAIC) financial standards and accreditation program; or

(iii) a qualified jurisdiction, as determined by the commissioner, which is not otherwise described in item (i) or (ii) and which meets the following additional requirements, consistent with the terms and conditions of in-force covered agreements:

(A) provides that an insurer which has its head office or is domiciled in such qualified jurisdiction shall receive credit for reinsurance ceded to a United States-domiciled assuming insurer in the same manner as credit for reinsurance is received for reinsurance assumed by insurers domiciled in such qualified jurisdiction;

(B) does not require a United States-domiciled assuming insurer to establish or maintain a local presence as a condition for entering into a reinsurance agreement with any ceding insurer subject to regulation by the non-United States jurisdiction or as a condition to allow the ceding insurer to recognize credit for such reinsurance;

(C) recognizes the United States state regulatory approach to group supervision and group capital, by providing written confirmation by a competent regulatory authority, in such qualified jurisdiction, that insurers and insurance groups that are domiciled or maintain their headquarters in this state or another jurisdiction accredited by the NAIC shall be subject only to worldwide prudential insurance group supervision including worldwide group governance, solvency and capital, and reporting, as applicable, by the commissioner or the commissioner of the domiciliary state and will not be subject to group supervision at the level of the worldwide parent undertaking of the insurance or reinsurance group by the qualified jurisdiction; and

(D) provides written confirmation by a competent regulatory authority in such qualified jurisdiction that information regarding insurers and their parent, subsidiary, or affiliated entities, if applicable, shall be provided to the commissioner in accordance with a memorandum of understanding or similar document between the commissioner and such qualified jurisdiction, including but not limited to the International Association of Insurance Supervisors Multilateral Memorandum of Understanding or other multilateral memoranda of understanding coordinated by the NAIC;

(2) the assuming insurer must have and maintain, on an ongoing basis, minimum capital and surplus, or its equivalent, calculated according to the methodology of its domiciliary jurisdiction, on at least an annual basis as of the preceding December 31 or on the date otherwise statutorily reported to the reciprocal jurisdiction, in the following amounts:

(i) no less than $250,000,000; or

(ii) if the assuming insurer is an association, including incorporated and individual unincorporated underwriters:

(A) minimum capital and surplus equivalents, net of liabilities, or own funds of the equivalent of at least $250,000,000; and

(B) a central fund containing a balance of the equivalent of at least $250,000,000;

(3) the assuming insurer must have and maintain, on an ongoing basis, a minimum solvency or capital ratio, as applicable, as follows:

(i) if the assuming insurer has its head office or is domiciled in a reciprocal jurisdiction defined in clause (1), item (i), the ratio specified in the applicable covered agreement;

(ii) if the assuming insurer is domiciled in a reciprocal jurisdiction defined in clause (1), item (ii), a risk-based capital ratio of 300 percent of the authorized control level, calculated in accordance with the formula developed by the NAIC; or

(iii) if the assuming insurer is domiciled in a Reciprocal Jurisdiction defined in clause (1), item (iii), after consultation with the reciprocal jurisdiction and considering any recommendations published through the NAIC Committee Process, such solvency or capital ratio as the commissioner determines to be an effective measure of solvency;

(4) the assuming insurer must agree and provide adequate assurance in the form of a properly executed Form AR-1, Form CR-1, and Form RJ-1 of its agreement to the following:

(i) the assuming insurer must provide prompt written notice and explanation to the commissioner if it falls below the minimum requirements set forth in clause (2) or (3), or if any regulatory action is taken against the assuming insurer for serious noncompliance with applicable law;

(ii) the assuming insurer must consent in writing to the jurisdiction of the courts of Minnesota and to the appointment of the commissioner as agent for service of process. The commissioner may require that consent for service of process be provided to the commissioner and included in each reinsurance agreement. Nothing in this subdivision shall limit or in any way alter the capacity of parties to a reinsurance agreement to agree to alternative dispute resolution mechanisms, except to the extent such agreements are unenforceable under applicable insolvency or delinquency laws;

(iii) the assuming insurer must consent in writing to pay all final judgments, wherever enforcement is sought, obtained by a ceding insurer or its legal successor, that have been declared enforceable in the jurisdiction where the judgment was obtained;

(iv) each reinsurance agreement must include a provision requiring the assuming insurer to provide security in an amount equal to 100 percent of the assuming insurer's liabilities attributable to reinsurance ceded pursuant to that agreement if the assuming insurer resists enforcement of a final judgment that is enforceable under the law of the jurisdiction in which it was obtained or a properly enforceable arbitration award, whether obtained by the ceding insurer or by its legal successor on behalf of its resolution estate;

(v) the assuming insurer must confirm that it is not presently participating in any solvent scheme of arrangement which involves this state's ceding insurers, and agree to notify the ceding insurer and the commissioner and to provide security in an amount equal to 100 percent of the assuming insurer's liabilities to the ceding insurer, should the assuming insurer enter into such a solvent scheme of arrangement. The security shall be in a form consistent with sections 60A.092, subdivision 10, 60A.093, 60A.096, and 60A.097. For purposes of this section, the term "solvent scheme of arrangement" means a foreign or alien statutory or regulatory compromise procedure subject to requisite majority creditor approval and judicial sanction in the assuming insurer's home jurisdiction either to finally commute liabilities of duly noticed classed members or creditors of a solvent debtor, or to reorganize or restructure the debts and obligations of a solvent debtor on a final basis, and which may be subject to judicial recognition and enforcement of the arrangement by a governing authority outside the ceding insurer's home jurisdiction; and

(vi) the assuming insurer must agree in writing to meet the applicable information filing requirements set forth in clause (5);

(5) the assuming insurer or its legal successor must provide, if requested by the commissioner, on behalf of itself and any legal predecessors, the following documentation to the commissioner:

(i) for the two years preceding entry into the reinsurance agreement and on an annual basis thereafter, the assuming insurer's annual audited financial statements, in accordance with the applicable law of the jurisdiction of its head office or domiciliary jurisdiction, as applicable, including the external audit report;

(ii) for the two years preceding entry into the reinsurance agreement, the solvency and financial condition report or actuarial opinion, if filed with the assuming insurer's supervisor;

(iii) prior to entry into the reinsurance agreement and not more than semiannually thereafter, an updated list of all disputed and overdue reinsurance claims outstanding for 90 days or more, regarding reinsurance assumed from ceding insurers domiciled in the United States; and

(iv) prior to entry into the reinsurance agreement and not more than semiannually thereafter, information regarding the assuming insurer's assumed reinsurance by ceding insurer, ceded reinsurance by the assuming insurer, and reinsurance recoverable on paid and unpaid losses by the assuming insurer to allow for the evaluation of the criteria set forth in clause (6);

(6) the assuming insurer must maintain a practice of prompt payment of claims under reinsurance agreements. The lack of prompt payment will be evidenced if any of the following criteria is met:

(i) more than 15 percent of the reinsurance recoverables from the assuming insurer are overdue and in dispute as reported to the commissioner;

(ii) more than 15 percent of the assuming insurer's ceding insurers or reinsurers have overdue reinsurance recoverable on paid losses of 90 days or more which are not in dispute and which exceed for each ceding insurer $100,000, or as otherwise specified in a covered agreement; or

(iii) the aggregate amount of reinsurance recoverable on paid losses which are not in dispute, but are overdue by 90 days or more, exceeds $50,000,000, or as otherwise specified in a covered agreement;

(7) the assuming insurer's supervisory authority must confirm to the commissioner by December 31, 2021, and annually thereafter, or at the annual date otherwise statutorily reported to the reciprocal jurisdiction, that the assuming insurer complies with the requirements set forth in clauses (2) and (3); and

(8) nothing in this subdivision precludes an assuming insurer from providing the commissioner with information on a voluntary basis.

(b) The commissioner shall timely create and publish a list of reciprocal jurisdictions. The commissioner's list shall include any reciprocal jurisdiction as defined under paragraph (a), clause (1), items (i) and (ii), and shall consider any other reciprocal jurisdiction included on the NAIC list. The commissioner may approve a jurisdiction that does not appear on the NAIC list of reciprocal jurisdictions in accordance with criteria developed under rules issued by the commissioner. The commissioner may remove a jurisdiction from the list of reciprocal jurisdictions upon a determination that the jurisdiction no longer meets the requirements of a reciprocal jurisdiction, in accordance with a process set forth in rules issued by the commissioner, except that the commissioner shall not remove from the list a reciprocal jurisdiction as defined under paragraph (a), clause (1), items (i) and (ii). Upon removal of a reciprocal jurisdiction from the list, credit for reinsurance ceded to an assuming insurer which has its home office or is domiciled in that jurisdiction shall be allowed, if otherwise allowed pursuant to law.

(c) The commissioner shall timely create and publish a list of assuming insurers that have satisfied the conditions set forth in this subdivision and to which cessions shall be granted credit in accordance with this subdivision. The commissioner may add an assuming insurer to the list if an NAIC accredited jurisdiction has added the assuming insurer to a list of assuming insurers or if, upon initial eligibility, the assuming insurer submits the information to the commissioner as required under paragraph (a), clause (4), and complies with any additional requirements that the commissioner may impose by rule, except to the extent that they conflict with an applicable covered agreement.

(i) If an NAIC-accredited jurisdiction has determined that the conditions set forth in paragraph (a), clause (2), have been met, the commissioner has the discretion to defer to that jurisdiction's determination, and add such assuming insurer to the list of assuming insurers to which cessions shall be granted credit in accordance with this paragraph. The commissioner may accept financial documentation filed with another NAIC-accredited jurisdiction or with the NAIC in satisfaction of the requirements of paragraph (a), clause (2);

(ii) When requesting that the commissioner defer to another NAIC-accredited jurisdiction's determination, an assuming insurer must submit a properly executed Form RJ-1 and additional information as the commissioner may require. A state that has received such a request will notify other states through the NAIC Committee Process and provide relevant information with respect to the determination of eligibility.

(d) If the commissioner determines that an assuming insurer no longer meets one or more of the requirements under this subdivision, the commissioner may revoke or suspend the eligibility of the assuming insurer for recognition under this subdivision in accordance with procedures set forth in rule. While an assuming insurer's eligibility is suspended, no reinsurance agreement issued, amended, or renewed after the effective date of the suspension qualifies for credit, except to the extent that the assuming insurer's obligations under the contract are secured in accordance with this section. If an assuming insurer's eligibility is revoked, no credit for reinsurance may be granted after the effective date of the revocation with respect to any reinsurance agreements entered into by the assuming insurer, including reinsurance agreements entered into prior to the date of revocation, except to the extent that the assuming insurer's obligations under the contract are secured in a form acceptable to the commissioner and consistent with the provisions of this section.

(e) Before denying statement credit or imposing a requirement to post security with respect to paragraph (d) or adopting any similar requirement that will have substantially the same regulatory impact as security, the commissioner shall:

(1) communicate with the ceding insurer, the assuming insurer, and the assuming insurer's supervisory authority that the assuming insurer no longer satisfies one of the conditions listed in paragraph (a), clause (2);

(2) provide the assuming insurer with 30 days from the initial communication to submit a plan to remedy the defect, and 90 days from the initial communication to remedy the defect, except in exceptional circumstances in which a shorter period is necessary for policyholder and other consumer protection;

(3) after the expiration of 90 days or less, as set out in clause (2), if the commissioner determines that no or insufficient action was taken by the assuming insurer, the commissioner may impose any of the requirements as set out in this paragraph; and

(4) provide a written explanation to the assuming insurer of any of the requirements set out in this paragraph.

(f) If subject to a legal process of rehabilitation, liquidation, or conservation, as applicable, the ceding insurer, or its representative, may seek and, if determined appropriate by the court in which the proceedings are pending, may obtain an order requiring that the assuming insurer post security for all outstanding ceded liabilities.

(g) Nothing in this subdivision limits or in any way alters the capacity of parties to a reinsurance agreement to agree on requirements for security or other terms in the reinsurance agreement, except as expressly prohibited by applicable law or rule.

(h) Credit may be taken under this subdivision only for reinsurance agreements entered into, amended, or renewed on or after the effective date of this subdivision, and only with respect to losses incurred and reserves reported on or after the later of: (1) the date on which the assuming insurer has met all eligibility requirements pursuant to this subdivision; and (2) the effective date of the new reinsurance agreement, amendment, or renewal. This paragraph does not alter or impair a ceding insurer's right to take credit for reinsurance, to the extent that credit is not available under this subdivision, as long as the reinsurance qualifies for credit under any other applicable provision of law. Nothing in this subdivision shall authorize an assuming insurer to withdraw or reduce the security provided under any reinsurance agreement, except as permitted by the terms of the agreement. Nothing in this subdivision shall limit, or in any way alter, the capacity of parties to any reinsurance agreement to renegotiate the agreement.

EFFECTIVE DATE. This section is effective January 1, 2022, and applies to reinsurance contracts entered into or renewed on or after that date.

Sec. 3. Minnesota Statutes 2020, section 60A.0921, subdivision 2, is amended to read:

Subd. 2. **Certification procedure.** (a) The commissioner shall post notice on the department's website promptly upon receipt of any application for certification, including instructions on how members of the public may respond to the application. The commissioner may not take final action on the application until at least 30 days after posting the notice.

(b) The commissioner shall issue written notice to an assuming insurer that has applied and been approved as a certified reinsurer. The notice must include the rating assigned the certified reinsurer in accordance with subdivision 1. The commissioner shall publish a list of all certified reinsurers and their ratings.

(c) In order to be eligible for certification, the assuming insurer must:

(1) be domiciled and licensed to transact insurance or reinsurance in a qualified jurisdiction, as determined by the commissioner under subdivision 3;

(2) maintain capital and surplus, or its equivalent, of no less than $250,000,000 calculated in accordance with paragraph (d), clause (8). This requirement may also be satisfied by an association including incorporated and individual unincorporated underwriters having minimum capital and surplus equivalents net of liabilities of at least $250,000,000 and a central fund containing a balance of at least $250,000,000;

(3) maintain financial strength ratings from two or more rating agencies acceptable to the commissioner. These ratings shall be based on interactive communication between the rating agency and the assuming insurer and shall not be based solely on publicly available information. These financial strength ratings shall be one factor used by the commissioner in determining the rating that is assigned to the assuming insurer. Acceptable rating agencies include the following:

(i) Standard & Poor's;

(ii) Moody's Investors Service;

(iii) Fitch Ratings;

(iv) A.M. Best Company; or

(v) any other nationally recognized statistical rating organization; and

(4) ensure that the certified reinsurer complies with any other requirements reasonably imposed by the commissioner.

(d) Each certified reinsurer shall be rated on a legal entity basis, with due consideration being given to the group rating where appropriate, except that an association including incorporated and individual unincorporated underwriters that has been approved to do business as a single certified reinsurer may be evaluated on the basis of its group rating. Factors that may be considered as part of the evaluation process include, but are not limited to:

(1) certified reinsurer's financial strength rating from an acceptable rating agency. The maximum rating that a certified reinsurer may be assigned will correspond to its financial strength rating as outlined in the table below. The commissioner shall use the lowest financial strength rating received from an approved rating agency in establishing the maximum rating of a certified reinsurer. A failure to obtain or maintain at least two financial strength ratings from acceptable rating agencies will result in loss of eligibility for certification;

Ratings	Best	S&P	Moody's	Fitch
Secure - 1	A++	AAA	Aaa	AAA
Secure - 2	A+	AA+, AA, AA-	Aa1, Aa2, Aa3	AA+, AA, AA-
Secure - 3	A	A+, A	A1, A2	A+, A
Secure - 4	A-	A-	A3	A-
Secure - 5	B++, B-	BBB+, BBB, BBB-	Baa1, Baa2, Baa3	BBB+, BBB, BBB-
Vulnerable - 6	B, B-, C++, C+, C, C-, D, E, F	BB+, BB, BB-, B+, B, B-, CCC, CC, C, D, R	Ba1, Ba2, Ba3, B1, B2, B3, Caa, Ca, C	BB+, BB, BB-, B+, B, B-, CCC+, CC, CCC-, DD

(2) the business practices of the certified reinsurer in dealing with its ceding insurers, including its record of compliance with reinsurance contractual terms and obligations;

(3) for certified reinsurers domiciled in the United States, a review of the most recent applicable NAIC annual statement;

(4) for certified reinsurers not domiciled in the United States, a review annually of such forms as may be required by the commissioner;

(5) the reputation of the certified reinsurer for prompt payment of claims under reinsurance agreements, based on an analysis of ceding insurers' reporting of overdue reinsurance recoverables, including the proportion of obligations that are more than 90 days past due or are in dispute, with specific attention given to obligations payable to companies that are in administrative supervision or receivership;

(6) regulatory actions against the certified reinsurer;

(7) the report of the independent auditor on the financial statements of the insurance enterprise, on the basis described in clause (8);

(8) for certified reinsurers not domiciled in the United States, audited financial statements (audited United States GAAP basis if available, audited IFRS basis statements are allowed, but must include an audited footnote reconciling equity and net income to a United States GAAP basis, or, with permission of the commissioner, audited IFRS statements with reconciliation to United States GAAP certified by an officer of the company). Upon the initial application for certification, the commissioner will consider audited financial statements for the last ~~three~~ two years filed with its non-United States jurisdiction supervisor;

(9) the liquidation priority of obligations to a ceding insurer in the certified reinsurer's domiciliary jurisdiction in the context of an insolvency proceeding;

(10) a certified reinsurer's participation in any solvent scheme of arrangement, or similar procedure, which involves United States ceding insurers. The commissioner must receive prior notice from a certified reinsurer that proposes participation by the certified reinsurer in a solvent scheme of arrangement; and

(11) other information as determined by the commissioner.

(e) Based on the analysis conducted under paragraph (d), clause (5), of a certified reinsurer's reputation for prompt payment of claims, the commissioner may make appropriate adjustments in the security the certified reinsurer is required to post to protect its liabilities to United States ceding insurers, provided that the commissioner shall, at a minimum, increase the security the certified reinsurer is required to post by one rating level under paragraph (d), clause (1), if the commissioner finds that:

(1) more than 15 percent of the certified reinsurer's ceding insurance clients have overdue reinsurance recoverables on paid losses of 90 days or more which are not in dispute and which exceed $100,000 for each cedent; or

(2) the aggregate amount of reinsurance recoverables on paid losses which are not in dispute that are overdue by 90 days or more exceeds $50,000,000.

(f) The assuming insurer must submit such forms as required by the commissioner as evidence of its submission to the jurisdiction of this state, appoint the commissioner as an agent for service of process in this state, and agree to provide security for 100 percent of the assuming insurer's liabilities attributable to reinsurance ceded by United States ceding insurers if it resists enforcement of a final United States judgment. The commissioner shall not certify an assuming insurer that is domiciled in a jurisdiction that the commissioner has determined does not adequately and promptly enforce final United States judgments or arbitration awards.

(g) The certified reinsurer must agree to meet filing requirements as determined by the commissioner, both with respect to an initial application for certification and on an ongoing basis. All data submitted by certified reinsurers to the commissioner is nonpublic under section 13.02, subdivision 9. The certified reinsurer must file with the commissioner:

(1) a notification within ten days of any regulatory actions taken against the certified reinsurer, any change in the provisions of its domiciliary license, or any change in rating by an approved rating agency, including a statement describing such changes and the reasons therefore;

(2) an annual report regarding reinsurance assumed, in a form determined by the commissioner;

(3) an annual report of the independent auditor on the financial statements of the insurance enterprise, on the basis described in clause (4);

(4) an annual audited financial statement, regulatory filings, and actuarial opinion filed with the certified reinsurer's supervisor. Upon the initial certification, audited financial statements for the last ~~three~~ two years filed with the certified reinsurer's supervisor;

(5) at least annually, an updated list of all disputed and overdue reinsurance claims regarding reinsurance assumed from United States domestic ceding insurers;

(6) a certification from the certified reinsurer's domestic regulator that the certified reinsurer is in good standing and maintains capital in excess of the jurisdiction's highest regulatory action level; and

(7) any other relevant information as determined by the commissioner.

EFFECTIVE DATE. This section is effective January 1, 2022, and applies to reinsurance contracts entered into or renewed on or after that date.

Sec. 4. Minnesota Statutes 2020, section 60A.14, subdivision 1, is amended to read:

Subdivision 1. **Fees other than examination fees.** In addition to the fees and charges provided for examinations, the following fees must be paid to the commissioner for deposit in the general fund:

(a) by township mutual fire insurance companies:

(1) for filing certificate of incorporation $25 and amendments thereto, $10;

(2) for filing annual statements, $15;

(3) for each annual certificate of authority, $15;

(4) for filing bylaws $25 and amendments thereto, $10;

(b) by other domestic and foreign companies including fraternals and reciprocal exchanges:

(1) for filing an application for an initial certification of authority to be admitted to transact business in this state, $1,500;

(2) for filing certified copy of certificate of articles of incorporation, $100;

(3) for filing annual statement, ~~$225~~ $300;

(4) for filing certified copy of amendment to certificate or articles of incorporation, $100;

(5) for filing bylaws, $75 or amendments thereto, $75;

(6) for each company's certificate of authority, ~~$575~~ $750, annually;

(c) the following general fees apply:

(1) for each certificate, including certified copy of certificate of authority, renewal, valuation of life policies, corporate condition or qualification, $25;

(2) for each copy of paper on file in the commissioner's office 50 cents per page, and $2.50 for certifying the same;

(3) for license to procure insurance in unadmitted foreign companies, $575;

(4) for valuing the policies of life insurance companies, ~~one cent~~ two cents per $1,000 of insurance so valued, provided that the fee shall not exceed ~~$13,000~~ $26,000 per year for any company. The commissioner may, in lieu of a valuation of the policies of any foreign life insurance company admitted, or applying for admission, to do business in this state, accept a certificate of valuation from the company's own actuary or from the commissioner of insurance of the state or territory in which the company is domiciled;

(5) for receiving and filing certificates of policies by the company's actuary, or by the commissioner of insurance of any other state or territory, $50;

(6) for each appointment of an agent filed with the commissioner, $30;

(7) for filing forms, rates, and compliance certifications under section 60A.315, $140 per filing, or $125 per filing when submitted via electronic filing system. Filing fees may be paid on a quarterly basis in response to an invoice. Billing and payment may be made electronically;

(8) for annual renewal of surplus lines insurer license, ~~$300~~ $400.

The commissioner shall adopt rules to define filings that are subject to a fee.

Sec. 5. **[60A.985] DEFINITIONS.**

Subdivision 1. **Terms.** As used in sections 60A.985 to 60A.9857, the following terms have the meanings given.

Subd. 2. **Authorized individual.** "Authorized individual" means an individual known to and screened by the licensee and determined to be necessary and appropriate to have access to the nonpublic information held by the licensee and its information systems.

Subd. 3. **Consumer.** "Consumer" means an individual, including but not limited to an applicant, policyholder, insured, beneficiary, claimant, and certificate holder who is a resident of this state and whose nonpublic information is in a licensee's possession, custody, or control.

Subd. 4. **Cybersecurity event.** "Cybersecurity event" means an event resulting in unauthorized access to, or disruption or misuse of, an information system or nonpublic information stored on an information system.

Cybersecurity event does not include the unauthorized acquisition of encrypted nonpublic information if the encryption, process, or key is not also acquired, released, or used without authorization.

Cybersecurity event does not include an event with regard to which the licensee has determined that the nonpublic information accessed by an unauthorized person has not been used or released and has been returned or destroyed.

Subd. 5. **Encrypted.** "Encrypted" means the transformation of data into a form which results in a low probability of assigning meaning without the use of a protective process or key.

Subd. 6. **Information security program.** "Information security program" means the administrative, technical, and physical safeguards that a licensee uses to access, collect, distribute, process, protect, store, use, transmit, dispose of, or otherwise handle nonpublic information.

Subd. 7. **Information system.** "Information system" means a discrete set of electronic information resources organized for the collection, processing, maintenance, use, sharing, dissemination, or disposition of nonpublic electronic information, as well as any specialized system such as industrial or process controls systems, telephone switching and private branch exchange systems, and environmental control systems.

Subd. 8. **Licensee.** "Licensee" means any person licensed, authorized to operate, or registered, or required to be licensed, authorized, or registered by the Department of Commerce or the Department of Health under chapters 59A to 62M and 62Q to 79A.

Subd. 9. **Multifactor authentication.** "Multifactor authentication" means authentication through verification of at least two of the following types of authentication factors:

(1) knowledge factors, such as a password;

(2) possession factors, such as a token or text message on a mobile phone; or

(3) inherence factors, such as a biometric characteristic.

Subd. 10. **Nonpublic information.** "Nonpublic information" means electronic information that is not publicly available information and is:

(1) any information concerning a consumer which because of name, number, personal mark, or other identifier can be used to identify the consumer, in combination with any one or more of the following data elements:

(i) Social Security number;

(ii) driver's license number or nondriver identification card number;

(iii) financial account number, credit card number, or debit card number;

(iv) any security code, access code, or password that would permit access to a consumer's financial account; or

(v) biometric records; or

(2) any information or data, except age or gender, in any form or medium created by or derived from a health care provider or a consumer that can be used to identify a particular consumer and that relates to:

(i) the past, present, or future physical, mental, or behavioral health or condition of any consumer or a member of the consumer's family;

(ii) the provision of health care to any consumer; or

(iii) payment for the provision of health care to any consumer.

Subd. 11. **Person.** "Person" means any individual or any nongovernmental entity, including but not limited to any nongovernmental partnership, corporation, branch, agency, or association.

Subd. 12. **Publicly available information.** "Publicly available information" means any information that a licensee has a reasonable basis to believe is lawfully made available to the general public from: federal, state, or local government records; widely distributed media; or disclosures to the general public that are required to be made by federal, state, or local law.

For the purposes of this definition, a licensee has a reasonable basis to believe that information is lawfully made available to the general public if the licensee has taken steps to determine:

(1) that the information is of the type that is available to the general public; and

(2) whether a consumer can direct that the information not be made available to the general public and, if so, that such consumer has not done so.

Subd. 13. **Risk assessment.** "Risk assessment" means the risk assessment that each licensee is required to conduct under section 60A.9853, subdivision 3.

Subd. 14. **State.** "State" means the state of Minnesota.

Subd. 15. **Third-party service provider.** "Third-party service provider" means a person, not otherwise defined as a licensee, that contracts with a licensee to maintain, process, or store nonpublic information, or is otherwise permitted access to nonpublic information through its provision of services to the licensee.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 6. **[60A.9851] INFORMATION SECURITY PROGRAM.**

Subdivision 1. **Implementation of an information security program.** Commensurate with the size and complexity of the licensee, the nature and scope of the licensee's activities, including its use of third-party service providers, and the sensitivity of the nonpublic information used by the licensee or in the licensee's possession, custody, or control, each licensee shall develop, implement, and maintain a comprehensive written information security program based on the licensee's risk assessment and that contains administrative, technical, and physical safeguards for the protection of nonpublic information and the licensee's information system.

Subd. 2. **Objectives of an information security program.** A licensee's information security program shall be designed to:

(1) protect the security and confidentiality of nonpublic information and the security of the information system;

(2) protect against any threats or hazards to the security or integrity of nonpublic information and the information system;

(3) protect against unauthorized access to, or use of, nonpublic information, and minimize the likelihood of harm to any consumer; and

(4) define and periodically reevaluate a schedule for retention of nonpublic information and a mechanism for its destruction when no longer needed.

Subd. 3. **Risk assessment.** The licensee shall:

(1) designate one or more employees, an affiliate, or an outside vendor authorized to act on behalf of the licensee who is responsible for the information security program;

(2) identify reasonably foreseeable internal or external threats that could result in unauthorized access, transmission, disclosure, misuse, alteration, or destruction of nonpublic information, including threats to the security of information systems and nonpublic information that are accessible to, or held by, third-party service providers;

(3) assess the likelihood and potential damage of the threats identified pursuant to clause (2), taking into consideration the sensitivity of the nonpublic information;

(4) assess the sufficiency of policies, procedures, information systems, and other safeguards in place to manage these threats, including consideration of threats in each relevant area of the licensee's operations, including:

(i) employee training and management;

(ii) information systems, including network and software design, as well as information classification, governance, processing, storage, transmission, and disposal; and

(iii) detecting, preventing, and responding to attacks, intrusions, or other systems failures; and

(5) implement information safeguards to manage the threats identified in its ongoing assessment, and no less than annually, assess the effectiveness of the safeguards' key controls, systems, and procedures.

Subd. 4. **Risk management.** Based on its risk assessment, the licensee shall:

(1) design its information security program to mitigate the identified risks, commensurate with the size and complexity of the licensee, the nature and scope of the licensee's activities, including its use of third-party service providers, and the sensitivity of the nonpublic information used by the licensee or in the licensee's possession, custody, or control;

(2) determine which of the following security measures are appropriate and implement any appropriate security measures:

(i) place access controls on information systems, including controls to authenticate and permit access only to authorized individuals, to protect against the unauthorized acquisition of nonpublic information;

(ii) identify and manage the data, personnel, devices, systems, and facilities that enable the organization to achieve business purposes in accordance with their relative importance to business objectives and the organization's risk strategy;

(iii) restrict physical access to nonpublic information to authorized individuals only;

(iv) protect, by encryption or other appropriate means, all nonpublic information while being transmitted over an external network and all nonpublic information stored on a laptop computer or other portable computing or storage device or media;

(v) adopt secure development practices for in-house developed applications utilized by the licensee;

(vi) modify the information system in accordance with the licensee's information security program;

(vii) utilize effective controls, which may include multifactor authentication procedures for any authorized individual accessing nonpublic information;

(viii) regularly test and monitor systems and procedures to detect actual and attempted attacks on, or intrusions into, information systems;

(ix) include audit trails within the information security program designed to detect and respond to cybersecurity events and designed to reconstruct material financial transactions sufficient to support normal operations and obligations of the licensee;

(x) implement measures to protect against destruction, loss, or damage of nonpublic information due to environmental hazards, such as fire and water damage, other catastrophes, or technological failures; and

(xi) develop, implement, and maintain procedures for the secure disposal of nonpublic information in any format;

(3) include cybersecurity risks in the licensee's enterprise risk management process;

(4) stay informed regarding emerging threats or vulnerabilities and utilize reasonable security measures when sharing information relative to the character of the sharing and the type of information shared; and

(5) provide its personnel with cybersecurity awareness training that is updated as necessary to reflect risks identified by the licensee in the risk assessment.

Subd. 5. **Oversight by board of directors.** If the licensee has a board of directors, the board or an appropriate committee of the board shall, at a minimum:

(1) require the licensee's executive management or its delegates to develop, implement, and maintain the licensee's information security program;

(2) require the licensee's executive management or its delegates to report in writing, at least annually, the following information:

(i) the overall status of the information security program and the licensee's compliance with this act; and

(ii) material matters related to the information security program, addressing issues such as risk assessment, risk management and control decisions, third-party service provider arrangements, results of testing, cybersecurity events or violations and management's responses thereto, and recommendations for changes in the information security program; and

(3) if executive management delegates any of its responsibilities under this section, it shall oversee the development, implementation, and maintenance of the licensee's information security program prepared by the delegate and shall receive a report from the delegate complying with the requirements of the report to the board of directors.

Subd. 6. **Oversight of third-party service provider arrangements.** (a) A licensee shall exercise due diligence in selecting its third-party service provider.

(b) A licensee shall require a third-party service provider to implement appropriate administrative, technical, and physical measures to protect and secure the information systems and nonpublic information that are accessible to, or held by, the third-party service provider.

Subd. 7. **Program adjustments.** The licensee shall monitor, evaluate, and adjust, as appropriate, the information security program consistent with any relevant changes in technology, the sensitivity of its nonpublic information, internal or external threats to information, and the licensee's own changing business arrangements, such as mergers and acquisitions, alliances and joint ventures, outsourcing arrangements, and changes to information systems.

Subd. 8. **Incident response plan.** (a) As part of its information security program, each licensee shall establish a written incident response plan designed to promptly respond to, and recover from, any cybersecurity event that compromises the confidentiality, integrity, or availability of nonpublic information in its possession, the licensee's information systems, or the continuing functionality of any aspect of the licensee's business or operations.

(b) The incident response plan shall address the following areas:

(1) the internal process for responding to a cybersecurity event;

(2) the goals of the incident response plan;

(3) the definition of clear roles, responsibilities, and levels of decision-making authority;

(4) external and internal communications and information sharing;

(5) identification of requirements for the remediation of any identified weaknesses in information systems and associated controls;

(6) documentation and reporting regarding cybersecurity events and related incident response activities; and

(7) the evaluation and revision, as necessary, of the incident response plan following a cybersecurity event.

Subd. 9. **Annual certification to commissioner.** (a) Subject to paragraph (b), by April 15 of each year, an insurer domiciled in this state shall certify in writing to the commissioner that the insurer is in compliance with the requirements set forth in this section. Each insurer shall maintain all records, schedules, and data supporting this certificate for a period of five years and shall permit examination by the commissioner. To the extent an insurer has identified areas, systems, or processes that require material improvement, updating, or redesign, the insurer shall document the identification and the remedial efforts planned and underway to address such areas, systems, or processes. Such documentation must be available for inspection by the commissioner.

(b) The commissioner must post on the department's website, no later than 60 days prior to the certification required by paragraph (a), the form and manner of submission required and any instructions necessary to prepare the certification.

EFFECTIVE DATE. This section is effective August 1, 2021. Licensees have one year from the effective date to implement subdivisions 1 to 5 and 7 to 9, and two years from the effective date to implement subdivision 6.

Sec. 7. **[60A.9852] INVESTIGATION OF A CYBERSECURITY EVENT.**

Subdivision 1. **Prompt investigation.** If the licensee learns that a cybersecurity event has or may have occurred, the licensee, or an outside vendor or service provider designated to act on behalf of the licensee, shall conduct a prompt investigation.

Subd. 2. **Investigation contents.** During the investigation, the licensee, or an outside vendor or service provider designated to act on behalf of the licensee, shall, at a minimum and to the extent possible:

(1) determine whether a cybersecurity event has occurred;

(2) assess the nature and scope of the cybersecurity event, if any;

(3) identify whether any nonpublic information was involved in the cybersecurity event and, if so, what nonpublic information was involved; and

(4) perform or oversee reasonable measures to restore the security of the information systems compromised in the cybersecurity event in order to prevent further unauthorized acquisition, release, or use of nonpublic information in the licensee's possession, custody, or control.

Subd. 3. **Third-party systems.** If the licensee learns that a cybersecurity event has or may have occurred in a system maintained by a third-party service provider, the licensee will complete the steps listed in subdivision 2 or confirm and document that the third-party service provider has completed those steps.

Subd. 4. **Records.** The licensee shall maintain records concerning all cybersecurity events for a period of at least five years from the date of the cybersecurity event and shall produce those records upon demand of the commissioner.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 8. **[60A.9853] NOTIFICATION OF A CYBERSECURITY EVENT.**

Subdivision 1. **Notification to the commissioner.** Each licensee shall notify the commissioner of commerce or commissioner of health, whichever commissioner otherwise regulates the licensee, without unreasonable delay but in no event later than three business days from a determination that a cybersecurity event has occurred when either of the following criteria has been met:

(1) this state is the licensee's state of domicile, in the case of an insurer, or this state is the licensee's home state, in the case of a producer, as those terms are defined in chapter 60K and the cybersecurity event has a reasonable likelihood of materially harming:

(i) any consumer residing in this state; or

(ii) any part of the normal operations of the licensee; or

(2) the licensee reasonably believes that the nonpublic information involved is of 250 or more consumers residing in this state and that is either of the following:

(i) a cybersecurity event impacting the licensee of which notice is required to be provided to any government body, self-regulatory agency, or any other supervisory body pursuant to any state or federal law; or

(ii) a cybersecurity event that has a reasonable likelihood of materially harming:

(A) any consumer residing in this state; or

(B) any part of the normal operations of the licensee.

Subd. 2. **Information; notification.** A licensee making the notification required under subdivision 1 shall provide the information in electronic form as directed by the commissioner. The licensee shall have a continuing obligation to update and supplement initial and subsequent notifications to the commissioner concerning material changes to previously provided information relating to the cybersecurity event. The licensee shall provide as much of the following information as possible:

(1) date of the cybersecurity event;

(2) description of how the information was exposed, lost, stolen, or breached, including the specific roles and responsibilities of third-party service providers, if any;

(3) how the cybersecurity event was discovered;

(4) whether any lost, stolen, or breached information has been recovered and, if so, how this was done;

(5) the identity of the source of the cybersecurity event;

(6) whether the licensee has filed a police report or has notified any regulatory, government, or law enforcement agencies and, if so, when such notification was provided;

(7) description of the specific types of information acquired without authorization. Specific types of information means particular data elements including, for example, types of medical information, types of financial information, or types of information allowing identification of the consumer;

(8) the period during which the information system was compromised by the cybersecurity event;

(9) the number of total consumers in this state affected by the cybersecurity event. The licensee shall provide the best estimate in the initial report to the commissioner and update this estimate with each subsequent report to the commissioner pursuant to this section;

(10) the results of any internal review identifying a lapse in either automated controls or internal procedures, or confirming that all automated controls or internal procedures were followed;

(11) description of efforts being undertaken to remediate the situation which permitted the cybersecurity event to occur;

(12) a copy of the licensee's privacy policy and a statement outlining the steps the licensee will take to investigate and notify consumers affected by the cybersecurity event; and

(13) name of a contact person who is familiar with the cybersecurity event and authorized to act for the licensee.

Subd. 3. **Notification to consumers.** (a) If a licensee is required to submit a report to the commissioner under subdivision 1, the licensee shall notify any consumer residing in Minnesota if, as a result of the cybersecurity event reported to the commissioner, the consumer's nonpublic information was or is reasonably believed to have been acquired by an unauthorized person, and there is a reasonable likelihood of material harm to the consumer as a result of the cybersecurity event. Consumer notification is not required for a cybersecurity event resulting from the good faith acquisition of nonpublic information by an employee or agent of the licensee for the purposes of the licensee's business, provided the nonpublic information is not used for a purpose other than the licensee's business or subject to further unauthorized disclosure. The notification must be made in the most expedient time possible and without unreasonable delay, consistent with the legitimate needs of law enforcement or with any measures necessary to determine the scope of the breach, identify the individuals affected, and restore the reasonable integrity of the data system. The notification may be delayed to a date certain if the commissioner determines that providing the notice impedes a criminal investigation. The licensee shall provide a copy of the notice to the commissioner.

(b) For purposes of this subdivision, notice required under paragraph (a) must be provided by one of the following methods:

(1) written notice to the consumer's most recent address in the licensee's records;

(2) electronic notice, if the licensee's primary method of communication with the consumer is by electronic means or if the notice provided is consistent with the provisions regarding electronic records and signatures in United States Code, title 15, section 7001; or

(3) if the cost of providing notice exceeds $250,000, the affected class of consumers to be notified exceeds 500,000, or the licensee does not have sufficient contact information for the subject consumers, notice as follows:

(i) e-mail notice when the licensee has an e-mail address for the subject consumers;

(ii) conspicuous posting of the notice on the website page of the licensee; and

(iii) notification to major statewide media.

(c) Notwithstanding paragraph (b), a licensee that maintains its own notification procedure as part of its information security program that is consistent with the timing requirements of this subdivision is deemed to comply with the notification requirements if the licensee notifies subject consumers in accordance with its program.

(d) A waiver of the requirements under this subdivision is contrary to public policy, and is void and unenforceable.

Subd. 4. **Notice regarding cybersecurity events of third-party service providers.** (a) In the case of a cybersecurity event in a system maintained by a third-party service provider, of which the licensee has become aware, the licensee shall treat such event as it would under subdivision 1 unless the third-party service provider provides the notice required under subdivision 1.

(b) The computation of a licensee's deadlines shall begin on the day after the third-party service provider notifies the licensee of the cybersecurity event or the licensee otherwise has actual knowledge of the cybersecurity event, whichever is sooner.

(c) Nothing in this act shall prevent or abrogate an agreement between a licensee and another licensee, a third-party service provider, or any other party to fulfill any of the investigation requirements imposed under section 60A.9854 or notice requirements imposed under this section.

Subd. 5. **Notice regarding cybersecurity events of reinsurers to insurers.** (a) In the case of a cybersecurity event involving nonpublic information that is used by the licensee that is acting as an assuming insurer or in the possession, custody, or control of a licensee that is acting as an assuming insurer and that does not have a direct contractual relationship with the affected consumers, the assuming insurer shall notify its affected ceding insurers and the commissioner of its state of domicile within three business days of making the determination that a cybersecurity event has occurred.

(b) The ceding insurers that have a direct contractual relationship with affected consumers shall fulfill the consumer notification requirements imposed under subdivision 3 and any other notification requirements relating to a cybersecurity event imposed under this section.

(c) In the case of a cybersecurity event involving nonpublic information that is in the possession, custody, or control of a third-party service provider of a licensee that is an assuming insurer, the assuming insurer shall notify its affected ceding insurers and the commissioner of its state of domicile within three business days of receiving notice from its third-party service provider that a cybersecurity event has occurred.

(d) The ceding insurers that have a direct contractual relationship with affected consumers shall fulfill the consumer notification requirements imposed under subdivision 3 and any other notification requirements relating to a cybersecurity event imposed under this section.

(e) Any licensee acting as an assuming insurer shall have no other notice obligations relating to a cybersecurity event or other data breach under this section.

Subd. 6. **Notice regarding cybersecurity events of insurers to producers of record.** (a) In the case of a cybersecurity event involving nonpublic information that is in the possession, custody, or control of a licensee that is an insurer or its third-party service provider and for which a consumer accessed the insurer's services through an independent insurance producer, the insurer shall notify the producers of record of all affected consumers no later than the time at which notice is provided to the affected consumers.

(b) The insurer is excused from this obligation for those instances in which it does not have the current producer of record information for any individual consumer or in those instances in which the producer of record is no longer appointed to sell, solicit, or negotiate on behalf of the insurer.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 9. **[60A.9854] POWER OF COMMISSIONER.**

(a) The commissioner of commerce or commissioner of health, whichever commissioner otherwise regulates the licensee, shall have power to examine and investigate into the affairs of any licensee to determine whether the licensee has been or is engaged in any conduct in violation of sections 60A.985 to 60A.9857. This power is in addition to the powers which the commissioner has under section 60A.031. Any such investigation or examination shall be conducted pursuant to section 60A.031.

(b) Whenever the commissioner of commerce or commissioner of health has reason to believe that a licensee has been or is engaged in conduct in this state which violates sections 60A.985 to 60A.9857, the commissioner of commerce or commissioner of health may take action that is necessary or appropriate to enforce those sections.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 10. **[60A.9855] CONFIDENTIALITY.**

Subdivision 1. **Licensee information.** Any documents, materials, or other information in the control or possession of the department that are furnished by a licensee or an employee or agent thereof acting on behalf of a licensee pursuant to section 60A.9851, subdivision 9; section 60A.9853, subdivision 2, clauses (2), (3), (4), (5), (8), (10), and (11); or that are obtained by the commissioner in an investigation or examination pursuant to section 60A.9854 shall be classified as confidential, protected nonpublic, or both; shall not be subject to subpoena; and shall not be subject to discovery or admissible in evidence in any private civil action. However, the commissioner is authorized to use the documents, materials, or other information in the furtherance of any regulatory or legal action brought as a part of the commissioner's duties.

Subd. 2. **Certain testimony prohibited.** Neither the commissioner nor any person who received documents, materials, or other information while acting under the authority of the commissioner shall be permitted or required to testify in any private civil action concerning any confidential documents, materials, or information subject to subdivision 1.

Subd. 3. **Information sharing.** In order to assist in the performance of the commissioner's duties under this act, the commissioner:

(1) may share documents, materials, or other information, including the confidential and privileged documents, materials, or information subject to subdivision 1, with other state, federal, and international regulatory agencies, with the National Association of Insurance Commissioners, its affiliates or subsidiaries, and with state, federal, and international law enforcement authorities, provided that the recipient agrees in writing to maintain the confidentiality and privileged status of the document, material, or other information;

(2) may receive documents, materials, or information, including otherwise confidential and privileged documents, materials, or information, from the National Association of Insurance Commissioners, its affiliates or subsidiaries, and from regulatory and law enforcement officials of other foreign or domestic jurisdictions, and shall maintain as confidential or privileged any document, material, or information received with notice or the understanding that it is confidential or privileged under the laws of the jurisdiction that is the source of the document, material, or information;

(3) may share documents, materials, or other information subject to subdivision 1, with a third-party consultant or vendor provided the consultant agrees in writing to maintain the confidentiality and privileged status of the document, material, or other information; and

(4) may enter into agreements governing sharing and use of information consistent with this subdivision.

Subd. 4. **No waiver of privilege or confidentiality.** No waiver of any applicable privilege or claim of confidentiality in the documents, materials, or information shall occur as a result of disclosure to the commissioner under this section or as a result of sharing as authorized in subdivision 3. Any document, material, or information disclosed to the commissioner under this section about a cybersecurity event must be retained and preserved by the licensee for the time period under section 541.05, or longer if required by the licensee's document retention policy.

Subd. 5. **Certain actions public.** Nothing in sections 60A.985 to 60A.9857 shall prohibit the commissioner from releasing final, adjudicated actions that are open to public inspection pursuant to chapter 13 to a database or other clearinghouse service maintained by the National Association of Insurance Commissioners, its affiliates, or subsidiaries.

Subd. 6. **Classification, protection, and use of information by others.** Documents, materials, or other information in the possession or control of the National Association of Insurance Commissioners or a third-party consultant pursuant to sections 60A.985 to 60A.9857 are classified as confidential, protected nonpublic, and privileged; are not subject to subpoena; and are not subject to discovery or admissible in evidence in a private civil action.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 11. **[60A.9856] EXCEPTIONS.**

Subdivision 1. **Generally.** The following exceptions shall apply to sections 60A.985 to 60A.9857:

(1) a licensee with fewer than 25 employees is exempt from sections 60A.9851 and 60A.9852;

(2) a licensee subject to and in compliance with the Health Insurance Portability and Accountability Act, Public Law 104-191, 110 Stat. 1936 (HIPAA), is considered to comply with sections 60A.9851, 60A.9852, and 60A.9853, subdivisions 3 to 5, provided the licensee submits a written statement certifying its compliance with HIPAA;

(3) a licensee affiliated with a depository institution that maintains an information security program in compliance with the interagency guidelines establishing standards for safeguarding customer information as set forth pursuant to United States Code, title 15, sections 6801 and 6805, shall be considered to meet the requirements of section 60A.9851 provided that the licensee produce, upon request, documentation satisfactory to the commission that independently validates the affiliated depository institution's adoption of an information security program that satisfies the interagency guidelines;

(4) an employee, agent, representative, or designee of a licensee, who is also a licensee, is exempt from sections 60A.9851 and 60A.9852 and need not develop its own information security program to the extent that the employee, agent, representative, or designee is covered by the information security program of the other licensee; and

(5) an employee, agent, representative, or designee of a producer licensee, as defined under section 60K.31, subdivision 6, who is also a licensee, is exempt from sections 60A.985 to 60A.9857.

Subd. 2. **Exemption lapse; compliance.** In the event that a licensee ceases to qualify for an exception, such licensee shall have 180 days to comply with this act.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 12. **[60A.9857] PENALTIES.**

In the case of a violation of sections 60A.985 to 60A.9856, a licensee may be penalized in accordance with section 60A.052.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 13. Minnesota Statutes 2020, section 61A.245, subdivision 4, is amended to read:

Subd. 4. **Minimum values.** The minimum values as specified in subdivisions 5, 6, 7, 8 and 10 of any paid-up annuity, cash surrender or death benefits available under an annuity contract shall be based upon minimum nonforfeiture amounts as defined in this subdivision.

(a) The minimum nonforfeiture amount at any time at or prior to the commencement of any annuity payments shall be equal to an accumulation up to that time at rates of interest as indicated in paragraph (b) of the net considerations, as defined in this subdivision, paid prior to that time, decreased by the sum of clauses (1) through (4):

(1) any prior withdrawals from or partial surrenders of the contract accumulated at rates of interest as indicated in paragraph (b);

(2) an annual contract charge of $50, accumulated at rates of interest as indicated in paragraph (b);

(3) any premium tax paid by the company for the contract and not subsequently credited back to the company, such as upon early termination of the contract, in which case this decrease must not be taken, accumulated at rates of interest as indicated in paragraph (b); and

(4) the amount of any indebtedness to the company on the contract, including interest due and accrued.

The net considerations for a given contract year used to define the minimum nonforfeiture amount shall be an amount equal to 87.5 percent of the gross considerations credited to the contract during that contract year.

(b) The interest rate used in determining minimum nonforfeiture amounts must be an annual rate of interest determined as the lesser of three percent per annum and the following, which must be specified in the contract if the interest rate will be reset:

(1) the five-year constant maturity treasury rate reported by the Federal Reserve as of a date, or average over a period, rounded to the nearest 1/20 of one percent, specified in the contract no longer than 15 months prior to the contract issue date or redetermination date under clause (4);

(2) reduced by 125 basis points;

(3) where the resulting interest rate is not less than ~~one~~ 0.15 percent; and

(4) the interest rate shall apply for an initial period and may be redetermined for additional periods. The redetermination date, basis, and period, if any, shall be stated in the contract. The basis is the date or average over a specified period that produces the value of the five-year constant maturity treasury rate to be used at each redetermination date.

(c) During the period or term that a contract provides substantive participation in an equity indexed benefit, it may increase the reduction described in clause (2) by up to an additional 100 basis points to reflect the value of the equity index benefit. The present value at the contract issue date, and at each redetermination date thereafter, of the additional reduction must not exceed the market value of the benefit. The commissioner may require a demonstration that the present value of the additional reduction does not exceed the market value of the benefit. Lacking such a demonstration that is acceptable to the commissioner, the commissioner may disallow or limit the additional reduction.

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

Sec. 14. Minnesota Statutes 2020, section 62J.23, subdivision 2, is amended to read:

Subd. 2. **Restrictions.** (a) From July 1, 1992, until rules are adopted by the commissioner under this section, the restrictions in the federal Medicare antikickback statutes in section 1128B(b) of the Social Security Act, United States Code, title 42, section 1320a-7b(b), and rules adopted under the federal statutes, apply to all persons in the state, regardless of whether the person participates in any state health care program.

(b) Nothing in paragraph (a) shall be construed to prohibit an individual from receiving a discount or other reduction in price or a limited-time free supply or samples of a prescription drug, medical supply, or medical equipment offered by a pharmaceutical manufacturer, medical supply or device manufacturer, health plan company, or pharmacy benefit manager, so long as:

(1) the discount or reduction in price is provided to the individual in connection with the purchase of a prescription drug, medical supply, or medical equipment prescribed for that individual;

(2) it otherwise complies with the requirements of state and federal law applicable to enrollees of state and federal public health care programs;

(3) the discount or reduction in price does not exceed the amount paid directly by the individual for the prescription drug, medical supply, or medical equipment; and

(4) the limited-time free supply or samples are provided by a physician, advanced practice registered nurse, or pharmacist, as provided by the federal Prescription Drug Marketing Act.

For purposes of this paragraph, "prescription drug" includes prescription drugs that are administered through infusion, injection, or other parenteral methods, and related services and supplies.

(c) No benefit, reward, remuneration, or incentive for continued product use may be provided to an individual or an individual's family by a pharmaceutical manufacturer, medical supply or device manufacturer, or pharmacy benefit manager, except that this prohibition does not apply to:

(1) activities permitted under paragraph (b);

(2) a pharmaceutical manufacturer, medical supply or device manufacturer, health plan company, or pharmacy benefit manager providing to a patient, at a discount or reduced price or free of charge, ancillary products necessary for treatment of the medical condition for which the prescription drug, medical supply, or medical equipment was prescribed or provided; and

(3) a pharmaceutical manufacturer, medical supply or device manufacturer, health plan company, or pharmacy benefit manager providing to a patient a trinket or memento of insignificant value.

(d) Nothing in this subdivision shall be construed to prohibit a health plan company from offering a tiered formulary with different co-payment or cost-sharing amounts for different drugs.

Sec. 15. **[62Q.472] SCREENING AND TESTING FOR OPIOIDS.**

(a) A health plan company shall not place a lifetime or annual limit on screenings and urinalysis testing for opioids for an enrollee in an inpatient or outpatient substance use disorder treatment program when the screening or testing is ordered by a health care provider and performed by an accredited clinical laboratory. A health plan company is not prohibited from conducting a medical necessity review when screenings or urinalysis testing for an enrollee exceeds 24 tests in any 12-month period.

(b) This section does not apply to managed care plans or county-based purchasing plans when the plan provides coverage to public health care program enrollees under chapter 256B or 256L.

EFFECTIVE DATE. This section is effective January 1, 2022, and applies to health plans offered, issued, or renewed on or after that date.

Sec. 16. Minnesota Statutes 2020, section 256B.0625, subdivision 10, is amended to read:

Subd. 10. **Laboratory and x-ray services.** (a) Medical assistance covers laboratory and x-ray services.

(b) Medical assistance covers screening and urinalysis tests for opioids without lifetime or annual limits.

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

Sec. 17. **REPEALER.**

Minnesota Statutes 2020, sections 60A.98; 60A.981; and 60A.982, are repealed.

EFFECTIVE DATE. This section is effective August 1, 2021.

ARTICLE 4
CONSUMER PROTECTION

Section 1. Minnesota Statutes 2020, section 13.712, is amended by adding a subdivision to read:

Subd. 7. **Student loan servicers.** Data collected, created, received, maintained, or disseminated under chapter 58B are governed by section 58B.10.

Sec. 2. Minnesota Statutes 2020, section 47.59, subdivision 2, is amended to read:

Subd. 2. **Application.** Extensions of credit or purchases of extensions of credit by financial institutions under sections 47.20, 47.21, 47.201, 47.204, 47.58, ~~47.60,~~ 48.153, 48.185, 48.195, 59A.01 to 59A.15, 334.01, 334.011, 334.012, 334.022, 334.06, and 334.061 to 334.19 may, but need not, be made according to those sections in lieu of the authority set forth in this section to the extent those sections authorize the financial institution to make extensions of credit or purchase extensions of credit under those sections. If a financial institution elects to make an extension of credit or to purchase an extension of credit under those other sections, the extension of credit or the purchase of an extension of credit is subject to those sections and not this section, except this subdivision, and

except as expressly provided in those sections. A financial institution may also charge an organization a rate of interest and any charges agreed to by the organization and may calculate and collect finance and other charges in any manner agreed to by that organization. Except for extensions of credit a financial institution elects to make under section 334.01, 334.011, 334.012, 334.022, 334.06, or 334.061 to 334.19, chapter 334 does not apply to extensions of credit made according to this section or the sections listed in this subdivision. This subdivision does not authorize a financial institution to extend credit or purchase an extension of credit under any of the sections listed in this subdivision if the financial institution is not authorized to do so under those sections. A financial institution extending credit under any of the sections listed in this subdivision shall specify in the promissory note, contract, or other loan document the section under which the extension of credit is made.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to consumer short-term loans and small loans originated on or after that date.

Sec. 3. Minnesota Statutes 2020, section 47.60, subdivision 2, is amended to read:

Subd. 2. **Authorization, terms, conditions, and prohibitions.** (a) ~~In lieu of the interest, finance charges, or fees in any other law,~~ A consumer small loan lender may charge ~~the following:~~ interest, finance charges, and fees. The sum of any interest, finance charges, and fees must not exceed an annual percentage rate, as defined in section 47.59, subdivision 1, paragraph (b), of 36 percent.

~~(1) on any amount up to and including $50, a charge of $5.50 may be added;~~

~~(2) on amounts in excess of $50, but not more than $100, a charge may be added equal to ten percent of the loan proceeds plus a $5 administrative fee;~~

~~(3) on amounts in excess of $100, but not more than $250, a charge may be added equal to seven percent of the loan proceeds with a minimum of $10 plus a $5 administrative fee;~~

~~(4) for amounts in excess of $250 and not greater than the maximum in subdivision 1, paragraph (a), a charge may be added equal to six percent of the loan proceeds with a minimum of $17.50 plus a $5 administrative fee.~~

(b) The term of a loan made under this section shall be for no more than 30 calendar days.

(c) After maturity, the contract rate must not exceed 2.75 percent per month of the remaining loan proceeds after the maturity date calculated at a rate of 1/30 of the monthly rate in the contract for each calendar day the balance is outstanding.

(d) No insurance charges or other charges must be permitted to be charged, collected, or imposed on a consumer small loan except as authorized in this section.

(e) On a loan transaction in which cash is advanced in exchange for a personal check, a return check charge may be charged as authorized by section 604.113, subdivision 2, paragraph (a). The civil penalty provisions of section 604.113, subdivision 2, paragraph (b), may not be demanded or assessed against the borrower.

(f) A loan made under this section must not be repaid by the proceeds of another loan made under this section by the same lender or related interest. The proceeds from a loan made under this section must not be applied to another loan from the same lender or related interest. No loan to a single borrower made pursuant to this section shall be split or divided and no single borrower shall have outstanding more than one loan with the result of collecting a higher charge than permitted by this section or in an aggregate amount of principal exceed at any one time the maximum of $350.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to consumer short-term loans and small loans originated on or after that date.

Sec. 4. Minnesota Statutes 2020, section 47.601, subdivision 2, is amended to read:

Subd. 2. **Consumer short-term loan contract.** (a) No contract or agreement between a consumer short-term loan lender and a borrower residing in Minnesota may contain the following:

(1) a provision selecting a law other than Minnesota law under which the contract is construed or enforced;

(2) a provision choosing a forum for dispute resolution other than the state of Minnesota; or

(3) a provision limiting class actions against a consumer short-term lender for violations of subdivision 3 or for making consumer short-term loans:

(i) without a required license issued by the commissioner; or

(ii) in which interest rates, fees, charges, or loan amounts exceed those allowable under section ~~47.59, subdivision 6, or~~ 47.60, subdivision 2~~, other than by de minimis amounts if no pattern or practice exists~~.

(b) Any provision prohibited by paragraph (a) is void and unenforceable.

(c) A consumer short-term loan lender must furnish a copy of the written loan contract to each borrower. The contract and disclosures must be written in the language in which the loan was negotiated with the borrower and must contain:

(1) the name; address, which may not be a post office box; and telephone number of the lender making the consumer short-term loan;

(2) the name and title of the individual employee or representative who signs the contract on behalf of the lender;

(3) an itemization of the fees and interest charges to be paid by the borrower;

(4) in bold, 24-point type, the annual percentage rate as computed under United States Code, chapter 15, section 1606; and

(5) a description of the borrower's payment obligations under the loan.

(d) The holder or assignee of a check or other instrument evidencing an obligation of a borrower in connection with a consumer short-term loan takes the instrument subject to all claims by and defenses of the borrower against the consumer short-term lender.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to consumer short-term loans and small loans originated on or after that date.

Sec. 5. Minnesota Statutes 2020, section 47.601, subdivision 6, is amended to read:

Subd. 6. **Penalties for violation; private right of action.** (a) Except for a "bona fide error" as set forth under United States Code, chapter 15, section 1640, subsection (c), an individual or entity who violates subdivision 2 or 3 is liable to the borrower for:

(1) all money collected or received in connection with the loan;

(2) actual, incidental, and consequential damages;

(3) statutory damages of up to $1,000 per violation;

(4) costs, disbursements, and reasonable attorney fees; and

(5) injunctive relief.

(b) In addition to the remedies provided in paragraph (a), a loan is void, and the borrower is not obligated to pay any amounts owing if the loan is made:

(1) by a consumer short-term lender who has not obtained an applicable license from the commissioner;

(2) in violation of any provision of subdivision 2 or 3; or

(3) in which interest, fees, charges, or loan amounts exceed the interest, fees, charges, or loan amounts allowable under ~~sections 47.59, subdivision 6, and~~ section 47.60, subdivision 2.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to consumer short-term loans and small loans originated on or after that date.

Sec. 6. Minnesota Statutes 2020, section 48.512, subdivision 2, is amended to read:

Subd. 2. **Required information.** Before opening or authorizing signatory power over a transaction account, a financial intermediary shall require one applicant to provide the following information on an application document signed by the applicant:

(a) full name;

(b) birth date;

(c) address of residence;

(d) address of current employment, if employed;

(e) telephone numbers of residence and place of employment, if any;

(f) Social Security number;

(g) driver's license or identification card number issued pursuant to section 171.07. If the applicant does not have a driver's license or identification card, the applicant may provide an identification document number issued for identification purposes by any state, federal, or foreign government if the document includes the applicant's photograph, full name, birth date, and signature. ~~A valid Wisconsin driver's license without a photograph may be accepted in satisfaction of the requirement of this paragraph until January 1, 1985~~;

(h) whether the applicant has had a transaction account at the same or another financial intermediary within 12 months immediately preceding the application, and if so, the name of the financial intermediary;

(i) whether the applicant has had a transaction account closed by a financial intermediary without the applicant's consent within 12 months immediately preceding the application, and if so, the reason the account was closed; and

(j) whether the applicant has been convicted of a criminal offense because of the use of a check or other similar item within 24 months immediately preceding the application.

A financial intermediary may require an applicant to disclose additional information.

An applicant who makes a false material statement that the applicant does not believe to be true in an application document with respect to information required to be provided by this subdivision is guilty of perjury. The financial intermediary shall notify the applicant of the provisions of this paragraph.

Sec. 7. Minnesota Statutes 2020, section 48.512, subdivision 3, is amended to read:

Subd. 3. **Confirm no involuntary closing.** (a) Before opening or authorizing signatory power over a transaction account, the financial intermediary shall attempt to verify the information disclosed for subdivision 2, clause (i). Inquiries made to verify this information through persons in the business of providing such information must include an inquiry based on the applicant's identification number provided under subdivision 2, clause (g).

(b) The financial intermediary may not open or authorize signatory power over a transaction account if (i) the applicant had a transaction account closed by a financial intermediary without consent because of issuance by the applicant of dishonored checks within 12 months immediately preceding the application, or (ii) the applicant has been convicted of a criminal offense because of the use of a check or other similar item within 24 months immediately preceding the application. This paragraph does not apply to programs designed to expand access to financial services to individuals who do not possess a transaction account.

(c) If the transaction account is refused pursuant to this subdivision, the reasons for the refusal shall be given to the applicant in writing and the applicant shall be allowed to provide additional information.

Sec. 8. Minnesota Statutes 2020, section 48.512, subdivision 7, is amended to read:

Subd. 7. **Transaction account service charges and charges relating to dishonored checks.** (a) The establishment of transaction account service charges and the amounts of the charges not otherwise limited or prescribed by law or rule is a business decision to be made by each financial intermediary according to sound business judgment and safe, sound financial institution operational standards. In establishing transaction account service charges, the financial intermediary may consider, but is not limited to considering:

(1) costs incurred by the institution, plus a profit margin, in providing the service;

(2) the deterrence of misuse by customers of financial institution services;

(3) the establishment of the competitive position of the financial institution in accordance with the institution's marketing strategy; and

(4) maintenance of the safety and soundness of the institution.

(b) Transaction account service charges must be reasonable in relation to these considerations and should be arrived at by each financial intermediary on a competitive basis and not on the basis of any agreement, arrangement, undertaking, or discussion with other financial intermediaries or their officers.

(c) A financial intermediary may not impose a service charge in excess of ~~$4~~ $10 for a dishonored check on any person other than the issuer of the check.

Sec. 9. Minnesota Statutes 2020, section 53.04, subdivision 3a, is amended to read:

Subd. 3a. **Loans.** (a) The right to make loans, secured or unsecured, at the rates and on the terms and other conditions permitted under chapters 47 and 334. Loans made under this authority must be in amounts in compliance with section 53.05, clause (7). A licensee making a loan under this chapter secured by a lien on real estate shall

comply with the requirements of section 47.20, subdivision 8. A licensee making a loan that is a consumer small loan, as defined in section 47.60, subdivision 1, paragraph (a), must comply with section 47.60. A licensee making a loan that is a consumer short-term loan, as defined in section 47.601, subdivision 1, paragraph (d), must comply with section 47.601.

(b) Loans made under this subdivision may be secured by real or personal property, or both. If the proceeds of a loan secured by a first lien on the borrower's primary residence are used to finance the purchase of the borrower's primary residence, the loan must comply with the provisions of section 47.20.

(c) An agency or instrumentality of the United States government or a corporation otherwise created by an act of the United States Congress or a lender approved or certified by the secretary of housing and urban development, or approved or certified by the administrator of veterans affairs, or approved or certified by the administrator of the Farmers Home Administration, or approved or certified by the Federal Home Loan Mortgage Corporation, or approved or certified by the Federal National Mortgage Association, that engages in the business of purchasing or taking assignments of mortgage loans and undertakes direct collection of payments from or enforcement of rights against borrowers arising from mortgage loans, is not required to obtain a certificate of authorization under this chapter in order to purchase or take assignments of mortgage loans from persons holding a certificate of authorization under this chapter.

(d) This subdivision does not authorize an industrial loan and thrift company to make loans under an overdraft checking plan.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to consumer short-term loans and small loans originated on or after that date.

Sec. 10. Minnesota Statutes 2020, section 56.131, subdivision 1, is amended to read:

Subdivision 1. **Interest rates and charges.** (a) On any loan in a principal amount not exceeding $100,000 or 15 percent of a Minnesota corporate licensee's capital stock and surplus as defined in section 53.015, if greater, a licensee may contract for and receive interest, finance charges, and other charges as provided in section 47.59.

(b) Notwithstanding paragraph (a), a licensee making a loan that is a consumer small loan, as defined in section 47.60, subdivision 1, paragraph (a), must comply with section 47.60. A licensee making a loan that is a consumer short-term loan, as defined in section 47.601, subdivision 1, paragraph (d), must comply with section 47.601.

~~(b)~~ (c) With respect to a loan secured by an interest in real estate, and having a maturity of more than 60 months, the original schedule of installment payments must fully amortize the principal and interest on the loan. The original schedule of installment payments for any other loan secured by an interest in real estate must provide for payment amounts that are sufficient to pay all interest scheduled to be due on the loan.

~~(c)~~ (d) A licensee may contract for and collect a delinquency charge as provided for in section 47.59, subdivision 6, paragraph (a), clause (4).

~~(d)~~ (e) A licensee may grant extensions, deferments, or conversions to interest-bearing as provided in section 47.59, subdivision 5.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to consumer short-term loans and small loans originated on or after that date.

Sec. 11. **[58B.01] TITLE.**

This chapter may be cited as the "Student Loan Borrower Bill of Rights."

Sec. 12. **[58B.02] DEFINITIONS.**

Subdivision 1. **Scope.** For purposes of this chapter, the following terms have the meanings given them.

Subd. 2. **Borrower.** "Borrower" means a resident of this state who has received or agreed to pay a student loan or a person who shares responsibility with a resident for repaying a student loan.

Subd. 3. **Commissioner.** "Commissioner" means the commissioner of commerce.

Subd. 4. **Financial institution.** "Financial institution" means any of the following organized under the laws of this state, any other state, or the United States: a bank, bank and trust, trust company with banking powers, savings bank, savings association, or credit union.

Subd. 5. **Person in control.** "Person in control" means any member of senior management, including owners or officers, and other persons who directly or indirectly possess the power to direct or cause the direction of the management policies of an applicant or student loan servicer under this chapter, regardless of whether the person has any ownership interest in the applicant or student loan servicer. Control is presumed to exist if a person directly or indirectly owns, controls, or holds with power to vote ten percent or more of the voting stock of an applicant or student loan servicer or of a person who owns, controls, or holds with power to vote ten percent or more of the voting stock of an applicant or student loan servicer.

Subd. 6. **Servicing.** "Servicing" means:

(1) receiving any scheduled periodic payments from a borrower or notification of payments, and applying payments to the borrower's account pursuant to the terms of the student loan or of the contract governing servicing;

(2) during a period when no payment is required on a student loan, maintaining account records for the loan and communicating with the borrower regarding the loan, on behalf of the loan's holder; and

(3) interacting with a borrower, including activities to help prevent default on obligations arising from student loans, conducted to facilitate the requirements in clauses (1) and (2).

Subd. 7. **Student loan.** "Student loan" means a government, commercial, or foundation loan for actual costs paid for tuition and reasonable education and living expenses.

Subd. 8. **Student loan servicer.** "Student loan servicer" means any person, wherever located, responsible for the servicing of any student loan to any borrower, including a nonbank covered person, as defined in Code of Federal Regulations, title 12, section 1090.101, who is responsible for the servicing of any student loan to any borrower.

Sec. 13. **[58B.03] LICENSING OF STUDENT LOAN SERVICERS.**

Subdivision 1. **License required.** No person shall directly or indirectly act as a student loan servicer without first obtaining a license from the commissioner.

Subd. 2. **Exempt persons.** The following persons are exempt from the requirements of this chapter:

(1) a financial institution;

(2) a person servicing student loans made with the person's own funds, if no more than three student loans are made in any 12-month period;

(3) an agency, instrumentality, or political subdivision of this state that makes, services, or guarantees student loans;

(4) a person acting in a fiduciary capacity, such as a trustee or receiver, as a result of a specific order issued by a court of competent jurisdiction;

(5) the University of Minnesota; or

(6) a person exempted by order of the commissioner.

Subd. 3. **Application for licensure.** (a) Any person seeking to act within the state as a student loan servicer must apply for a license in a form and manner specified by the commissioner. At a minimum, the application must include:

(1) a financial statement prepared by a certified public accountant or a public accountant;

(2) the history of criminal convictions, excluding traffic violations, for persons in control of the applicant;

(3) any information requested by the commissioner related to the history of criminal convictions disclosed under clause (2);

(4) a nonrefundable license fee established by the commissioner; and

(5) a nonrefundable investigation fee established by the commissioner.

(b) The commissioner may conduct a state and national criminal history records check of the applicant and of each person in control or employee of the applicant.

Subd. 4. **Issuance of a license.** (a) Upon receipt of a complete application for an initial license and the payment of fees for a license and investigation, the commissioner must investigate the financial condition and responsibility, character, financial and business experience, and general fitness of the applicant. The commissioner may issue a license if the commissioner finds:

(1) the applicant's financial condition is sound;

(2) the applicant's business will be conducted honestly, fairly, equitably, carefully, and efficiently within the purposes and intent of this chapter;

(3) each person in control of the applicant is in all respects properly qualified and of good character;

(4) no person, on behalf of the applicant, has knowingly made any incorrect statement of a material fact in the application or in any report or statement made pursuant to this section;

(5) no person, on behalf of the applicant, has knowingly omitted any information required by the commissioner from an application, report, or statement made pursuant to this section;

(6) the applicant has paid the fees required under this section; and

(7) the application has met other similar requirements as determined by the commissioner.

(b) A license issued under this chapter is not transferable or assignable.

Subd. 5. **Notification of a change in status.** An applicant or student loan servicer must notify the commissioner in writing of any change in the information provided in the initial application for a license or the most recent renewal application for a license. The notification must be received no later than ten business days after the date of an event that results in the information becoming inaccurate.

Subd. 6. **Term of license.** Licenses issued under this chapter expire on December 31 of each year and are renewable on January 1.

Subd. 7. **Exemption from application.** (a) A person is exempt from the application procedures under subdivision 3 if the commissioner determines that the person is servicing student loans in this state pursuant to a contract awarded by the United States Secretary of Education under United States Code, title 20, section 1087f. Documentation of eligibility for this exemption shall be in a form and manner determined by the commissioner.

(b) A person determined to be eligible for the exemption under paragraph (a) shall, upon payment of the fees under subdivision 3, be issued a license and deemed to meet all of the requirements of subdivision 4.

Subd. 8. **Notice.** (a) A person issued a license under subdivision 7 must provide the commissioner with written notice no less than seven days after the date the person's contract under United States Code, title 20, section 1087f, expires, is revoked, or is terminated.

(b) A person issued a license under subdivision 7 has 30 days from the date the notification under paragraph (a) is provided to complete the requirements of subdivision 3. If a person does not meet the requirements of subdivision 3 within this time period, the commissioner shall immediately suspend the person's license under this chapter.

Sec. 14. **[58B.04] LICENSING MULTIPLE PLACES OF BUSINESS.**

A person licensed to act as a student loan servicer in this state is prohibited from servicing student loans under any other name or at any other place of business than that named in the license. Any time a student loan servicer changes the location of the servicer's place of business, the servicer must provide prior written notice to the commissioner. A student loan servicer may not maintain more than one place of business under the same license. The commissioner may issue more than one license to the same student loan servicer, provided that the servicer complies with the application procedures in section 58B.03 for each license.

Sec. 15. **[58B.05] LICENSE RENEWAL.**

Subdivision 1. **Term.** Licenses are renewable on January 1 of each year.

Subd. 2. **Timely renewal.** (a) A person whose application is properly and timely filed who has not received notice of denial of renewal is considered approved for renewal. The person may continue to act as a student loan servicer whether or not the renewed license has been received on or before January 1 of the renewal year. An application for renewal of a license is considered timely filed if the application is received by the commissioner, or mailed with proper postage and postmarked, by the December 15 before the renewal year. An application for renewal is considered properly filed if the application is made upon forms duly executed, accompanied by fees prescribed by this chapter, and containing any information that the commissioner requires.

(b) A person who fails to make a timely application for renewal of a license and who has not received the renewal license as of January 1 of the renewal year is unlicensed until the renewal license has been issued by the commissioner and is received by the person.

Subd. 3. **Contents of renewal application.** An application for renewal of an existing license must contain the information specified in section 58B.03, subdivision 3, except that only the requested information having changed from the most recent prior application need be submitted.

Subd. 4. **Cancellation.** A student loan servicer ceasing an activity or activities regulated by this chapter and desiring to no longer be licensed shall inform the commissioner in writing and, at the same time, surrender the license and all other symbols or indicia of licensure. The licensee shall include a plan for the withdrawal from student loan servicing, including a timetable for the disposition of the student loans being serviced.

Subd. 5. **Renewal fees.** The following fees must be paid to the commissioner for a renewal license:

(1) a nonrefundable renewal license fee established by the commissioner; and

(2) a nonrefundable renewal investigation fee established by the commissioner.

Sec. 16. **[58B.06] DUTIES OF STUDENT LOAN SERVICERS.**

Subdivision 1. **Response requirements.** Upon receiving a written communication from a borrower, a student loan servicer must:

(1) acknowledge receipt of the communication in less than ten days from the date the communication is received; and

(2) provide information relating to the communication and, if applicable, the action the student loan servicer will take to either (i) correct the borrower's issue or (ii) explain why the issue cannot be corrected. The information must be provided less than 30 days after the date the written communication was received by the student loan servicer.

Subd. 2. **Overpayments.** (a) A student loan servicer must ask a borrower in what manner the borrower would like any overpayment to be applied to a student loan. A borrower's instruction regarding the application of overpayments is effective for the term of the loan or until the borrower provides a different instruction.

(b) For purposes of this subdivision, "overpayment" means a payment on a student loan that exceeds the monthly amount due.

Subd. 3. **Partial payments.** (a) A student loan servicer must apply a partial payment in a manner intended to minimize late fees and the negative impact on the borrower's credit history. If a borrower has multiple student loans with the same student loan servicer, upon receipt of a partial payment the servicer must apply the payments to satisfy as many individual loan payments as possible.

(b) For purposes of this subdivision, "partial payment" means a payment on a student loan that is less than the monthly amount due.

Subd. 4. **Transfer of student loan.** (a) If a borrower's student loan servicer changes pursuant to the sale, assignment, or transfer of the servicing, the original student loan servicer must:

(1) require the new student loan servicer to honor all benefits that were made available, or which may have become available, to a borrower from the original student loan servicer; and

(2) transfer to the new student loan servicer all information regarding the borrower, the account of the borrower, and the borrower's student loan, including but not limited to the repayment status of the student loan and the benefits described in clause (1).

(b) The student loan servicer must complete the transfer under paragraph (a), clause (2), less than 45 days from the date of the sale, assignment, or transfer of the servicing.

(c) A sale, assignment, or transfer of the servicing must be completed no less than seven days from the date the next payment is due on the student loan.

(d) A new student loan servicer must adopt policies and procedures to verify that the original student loan servicer has met the requirements of paragraph (a).

Subd. 5. **Income-driven repayment.** A student loan servicer must evaluate a borrower for eligibility for an income-driven repayment program before placing a borrower in forbearance or default.

Subd. 6. **Records.** A student loan servicer must maintain adequate records of each student loan for not less than two years following the final payment on the student loan or the sale, assignment, or transfer of the servicing.

EFFECTIVE DATE. This section is effective July 1, 2021, and applies to student loan contracts executed on or after that date.

Sec. 17. **[58B.07] PROHIBITED CONDUCT.**

Subdivision 1. **Misleading borrowers.** A student loan servicer must not directly or indirectly attempt to mislead a borrower.

Subd. 2. **Misrepresentation.** A student loan servicer must not engage in any unfair or deceptive practice or misrepresent or omit any material information in connection with the servicing of a student loan, including but not limited to misrepresenting the amount, nature, or terms of any fee or payment due or claimed to be due on a student loan, the terms and conditions of the loan agreement, or the borrower's obligations under the loan.

Subd. 3. **Misapplication of payments.** A student loan servicer must not knowingly or negligently misapply student loan payments.

Subd. 4. **Inaccurate information.** A student loan servicer must not knowingly or negligently provide inaccurate information to any consumer reporting agency.

Subd. 5. **Reporting of payment history.** A student loan servicer must not fail to report both the favorable and unfavorable payment history of the borrower to a consumer reporting agency at least annually, if the student loan servicer regularly reports payment history information.

Subd. 6. **Refusal to communicate with a borrower's representative.** A student loan servicer must not refuse to communicate with a representative of the borrower who provides a written authorization signed by the borrower. The student loan servicer may adopt procedures reasonably related to verifying that the representative is in fact authorized to act on behalf of the borrower.

Subd. 7. **False statements and omissions.** A student loan servicer must not knowingly or negligently make any false statement or omission of material fact in connection with any application, information, or reports filed with the commissioner or any other federal, state, or local government agency.

Subd. 8. **Noncompliance with applicable laws.** A student loan servicer must not violate any other federal, state, or local laws, including those related to fraudulent, coercive, or dishonest practices.

Subd. 9. **Incorrect information regarding student loan forgiveness.** A student loan servicer must not misrepresent the availability of student loan forgiveness for which the servicer has reason to know the borrower is eligible. This includes but is not limited to student loan forgiveness programs specific to military borrowers, borrowers working in public service, or borrowers with disabilities.

Subd. 10. **Compliance with servicer duties.** A student loan servicer must comply with the duties and obligations under section 58B.06.

Sec. 18. **[58B.08] EXAMINATIONS.**

The commissioner has the same powers with respect to examinations of student loan servicers under this chapter that the commissioner has under section 46.04.

Sec. 19. **[58B.09] DENIAL; SUSPENSION; REVOCATION OF LICENSES.**

Subdivision 1. **Powers of commissioner.** (a) The commissioner may by order take any or all of the following actions:

(1) bar a person from engaging in student loan servicing;

(2) deny, suspend, or revoke a student loan servicer license;

(3) censure a student loan servicer;

(4) impose a civil penalty, as provided in section 45.027, subdivision 6;

(5) order restitution to the borrower, if applicable; or

(6) revoke an exemption.

(b) In order to take the action in paragraph (a), the commissioner must find:

(1) the order is in the public interest; and

(2) the student loan servicer, applicant, person in control, employee, or agent has:

(i) violated any provision of this chapter or a rule or order adopted or issued under this chapter;

(ii) violated a standard of conduct or engaged in a fraudulent, coercive, deceptive, or dishonest act or practice, including but not limited to negligently making a false statement or knowingly omitting a material fact, whether or not the act or practice involves student loan servicing;

(iii) engaged in an act or practice that demonstrates untrustworthiness, financial irresponsibility, or incompetence, whether or not the act or practice involves student loan servicing;

(iv) pled guilty or nolo contendere to or been convicted of a felony, gross misdemeanor, or misdemeanor;

(v) paid a civil penalty or been the subject of a disciplinary action by the commissioner, order of suspension or revocation, cease and desist order, injunction order, or order barring involvement in an industry or profession issued by the commissioner or any other federal, state, or local government agency;

(vi) been found by a court of competent jurisdiction to have engaged in conduct evidencing gross negligence, fraud, misrepresentation, or deceit;

(vii) refused to cooperate with an investigation or examination by the commissioner;

(viii) failed to pay any fee or assessment imposed by the commissioner; or

(ix) failed to comply with state and federal tax obligations.

Subd. 2. **Orders of the commissioner.** To begin a proceeding under this section, the commissioner shall issue an order requiring the subject of the proceeding to show cause why action should not be taken against the person according to this section. The order must be calculated to give reasonable notice of the time and place for the hearing and must state the reasons for entry of the order. The commissioner may by order summarily suspend a license or exemption or summarily bar a person from engaging in student loan servicing pending a final determination of an order to show cause. If a license or exemption is summarily suspended or if the person is summarily barred from any involvement in the servicing of student loans pending final determination of an order to show cause, a hearing on the merits must be held within 30 days of the issuance of the order of summary suspension or bar. All hearings must be conducted under chapter 14. After the hearing, the commissioner shall enter an order disposing of the matter as the facts require. If the subject of the order fails to appear at a hearing after having been duly notified, the person is considered in default and the proceeding may be determined against the subject of the order upon consideration of the order to show cause, the allegations of which may be considered to be true.

Subd. 3. **Actions against lapsed license.** If a license or certificate of exemption lapses; is surrendered, withdrawn, or terminated; or otherwise becomes ineffective, the commissioner may (1) institute a proceeding under this subdivision within two years after the license or certificate of exemption was last effective and enter a revocation or suspension order as of the last date on which the license or certificate of exemption was in effect, and (2) impose a civil penalty as provided for in this section or section 45.027, subdivision 6.

Sec. 20. **[58B.10] DATA PRACTICES.**

Subdivision 1. **Classification of data.** Data collected, created, received, maintained, or disseminated by the Department of Commerce under this chapter are governed by section 46.07.

Subd. 2. **Data sharing.** To the extent data collected, created, received, maintained, or disseminated under this chapter are not public data as defined by section 13.02, subdivision 8a, the data may, when necessary to accomplish the purpose of this chapter, be shared between:

(1) the United States Department of Education;

(2) the Office of Higher Education;

(3) the Department of Commerce;

(4) the Office of the Attorney General; and

(5) any other local, state, and federal law enforcement agencies.

Sec. 21. Minnesota Statutes 2020, section 65B.15, subdivision 1, is amended to read:

Subdivision 1. **Grounds and notice.** No cancellation or reduction in the limits of liability of coverage during the policy period of any policy shall be effective unless notice thereof is given and unless based on one or more reasons stated in the policy which shall be limited to the following:

1. nonpayment of premium; or

2. the policy was obtained through a material misrepresentation; or

3. any insured made a false or fraudulent claim or knowingly aided or abetted another in the presentation of such a claim; or

4. the named insured failed to disclose fully motor vehicle accidents and moving traffic violations of the named insured for the preceding 36 months if called for in the written application; or

5. the named insured failed to disclose in the written application any requested information necessary for the acceptance or proper rating of the risk; or

6. the named insured knowingly failed to give any required written notice of loss or notice of lawsuit commenced against the named insured, or, when requested, refused to cooperate in the investigation of a claim or defense of a lawsuit; or

7. the named insured or any other operator who either resides in the same household, or customarily operates an automobile insured under such policy, unless the other operator is identified as a named insured in another policy as an insured:

(a) has, within the 36 months prior to the notice of cancellation, had that person's driver's license under suspension or revocation because the person committed a moving traffic violation or because the person refused to be tested under section 169A.20, subdivision 1; or

(b) is or becomes subject to epilepsy or heart attacks, and such individual does not produce a written opinion from a physician testifying to that person's medical ability to operate a motor vehicle safely, such opinion to be based upon a reasonable medical probability; or

(c) has an accident record, conviction record (criminal or traffic), physical condition or mental condition, any one or all of which are such that the person's operation of an automobile might endanger the public safety; or

(d) has been convicted, or forfeited bail, during the 24 months immediately preceding the notice of cancellation for criminal negligence in the use or operation of an automobile, or assault arising out of the operation of a motor vehicle, or operating a motor vehicle while in an intoxicated condition or while under the influence of drugs; or leaving the scene of an accident without stopping to report; or making false statements in an application for a driver's license, or theft or unlawful taking of a motor vehicle; or

(e) has been convicted of, or forfeited bail for, one or more violations within the 18 months immediately preceding the notice of cancellation, of any law, ordinance, or rule which justify a revocation of a driver's license; or

8. the insured automobile is:

(a) so mechanically defective that its operation might endanger public safety; or

(b) used in carrying passengers for hire or compensation, provided however that the use of an automobile for a car pool or a private passenger vehicle used by a volunteer driver, as defined under section 65B.472, subdivision 1, paragraph (h), shall not be considered use of an automobile for hire or compensation; or

(c) used in the business of transportation of flammables or explosives; or

(d) an authorized emergency vehicle; or

(e) subject to an inspection law and has not been inspected or, if inspected, has failed to qualify within the period specified under such inspection law; or

(f) substantially changed in type or condition during the policy period, increasing the risk substantially, such as conversion to a commercial type vehicle, a dragster, sports car or so as to give clear evidence of a use other than the original use.

Sec. 22. Minnesota Statutes 2020, section 65B.43, subdivision 12, is amended to read:

Subd. 12. **Commercial vehicle.** "Commercial vehicle" means:

(a) any motor vehicle used as a common carrier,

(b) any motor vehicle, other than a passenger vehicle defined in section 168.002, subdivision 24, which has a curb weight in excess of 5,500 pounds apart from cargo capacity, or

(c) any motor vehicle while used in the for-hire transportation of property.

Commercial vehicle does not include a "commuter van," which for purposes of this chapter ~~shall mean~~ means (1) a motor vehicle having a capacity of seven to 16 persons which is used principally to provide prearranged transportation of persons to or from their place of employment or to or from a transit stop authorized by a local transit authority which vehicle is to be operated by a person who does not drive the vehicle as a principal occupation but is driving it only to or from the principal place of employment, to or from a transit stop authorized by a local transit authority or, for personal use as permitted by the owner of the vehicle, or (2) a private passenger vehicle driven by a volunteer driver.

Sec. 23. Minnesota Statutes 2020, section 65B.472, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) Unless a different meaning is expressly made applicable, the terms defined in paragraphs (b) through (g) have the meanings given them for the purposes of this chapter.

(b) A "digital network" means any online-enabled application, software, website, or system offered or utilized by a transportation network company that enables the prearrangement of rides with transportation network company drivers.

(c) A "personal vehicle" means a vehicle that is used by a transportation network company driver in connection with providing a prearranged ride and is:

(1) owned, leased, or otherwise authorized for use by the transportation network company driver; and

(2) not a taxicab, limousine, ~~or~~ for-hire vehicle, or a private passenger vehicle driven by a volunteer driver.

(d) A "prearranged ride" means the provision of transportation by a driver to a rider, beginning when a driver accepts a ride requested by a rider through a digital network controlled by a transportation network company, continuing while the driver transports a requesting rider, and ending when the last requesting rider departs from the personal vehicle. A prearranged ride does not include transportation provided using a taxicab, limousine, or other for-hire vehicle.

(e) A "transportation network company" means a corporation, partnership, sole proprietorship, or other entity that is operating in Minnesota that uses a digital network to connect transportation network company riders to transportation network company drivers who provide prearranged rides.

(f) A "transportation network company driver" or "driver" means an individual who:

(1) receives connections to potential riders and related services from a transportation network company in exchange for payment of a fee to the transportation network company; and

(2) uses a personal vehicle to provide a prearranged ride to riders upon connection through a digital network controlled by a transportation network company in return for compensation or payment of a fee.

(g) A "transportation network company rider" or "rider" means an individual or persons who use a transportation network company's digital network to connect with a transportation network driver who provides prearranged rides to the rider in the driver's personal vehicle between points chosen by the rider.

(h) A "volunteer driver" means an individual who transports persons or goods on behalf of a nonprofit entity or governmental unit in a private passenger vehicle and receives no compensation for services provided other than the reimbursement of actual expenses.

Sec. 24. Minnesota Statutes 2020, section 174.29, subdivision 1, is amended to read:

Subdivision 1. **Definition.** For the purpose of sections 174.29 and 174.30 "special transportation service" means motor vehicle transportation provided on a regular basis by a public or private entity or person that is designed exclusively or primarily to serve individuals who are elderly or disabled and who are unable to use regular means of transportation but do not require ambulance service, as defined in section 144E.001, subdivision 3. Special transportation service includes but is not limited to service provided by specially equipped buses, vans, taxis, and volunteers driving private automobiles, as defined in section 65B.472, subdivision 1, paragraph (h). Special transportation service also means those nonemergency medical transportation services under section 256B.0625, subdivision 17, that are subject to the operating standards for special transportation service under sections 174.29 to 174.30 and Minnesota Rules, chapter 8840.

Sec. 25. Minnesota Statutes 2020, section 174.30, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** (a) The operating standards for special transportation service adopted under this section do not apply to special transportation provided by:

(1) a public transit provider receiving financial assistance under sections 174.24 or 473.371 to 473.449;

(2) a volunteer driver, as defined in section 65B.472, subdivision 1, paragraph (h), using a private automobile;

(3) a school bus as defined in section 169.011, subdivision 71; or

(4) an emergency ambulance regulated under chapter 144.

(b) The operating standards adopted under this section only apply to providers of special transportation service who receive grants or other financial assistance from either the state or the federal government, or both, to provide or assist in providing that service; except that the operating standards adopted under this section do not apply to any nursing home licensed under section 144A.02, to any board and care facility licensed under section 144.50, or to any day training and habilitation services, day care, or group home facility licensed under sections 245A.01 to 245A.19 unless the facility or program provides transportation to nonresidents on a regular basis and the facility receives reimbursement, other than per diem payments, for that service under rules promulgated by the commissioner of human services.

(c) Notwithstanding paragraph (b), the operating standards adopted under this section do not apply to any vendor of services licensed under chapter 245D that provides transportation services to consumers or residents of other vendors licensed under chapter 245D and transports 15 or fewer persons, including consumers or residents and the driver.

Sec. 26. Minnesota Statutes 2020, section 174.30, subdivision 10, is amended to read:

Subd. 10. **Background studies.** (a) Providers of special transportation service regulated under this section must initiate background studies in accordance with chapter 245C on the following individuals:

(1) each person with a direct or indirect ownership interest of five percent or higher in the transportation service provider;

(2) each controlling individual as defined under section 245A.02;

(3) managerial officials as defined in section 245A.02;

(4) each driver employed by the transportation service provider;

(5) each individual employed by the transportation service provider to assist a passenger during transport; and

(6) all employees of the transportation service agency who provide administrative support, including those who:

(i) may have face-to-face contact with or access to passengers, their personal property, or their private data;

(ii) perform any scheduling or dispatching tasks; or

(iii) perform any billing activities.

(b) The transportation service provider must initiate the background studies required under paragraph (a) using the online NETStudy system operated by the commissioner of human services.

(c) The transportation service provider shall not permit any individual to provide any service or function listed in paragraph (a) until the transportation service provider has received notification from the commissioner of human services indicating that the individual:

(1) is not disqualified under chapter 245C; or

(2) is disqualified, but has received a set-aside of that disqualification according to sections 245C.22 and 245C.23 related to that transportation service provider.

(d) When a local or contracted agency is authorizing a ride under section 256B.0625, subdivision 17, by a volunteer driver, as defined in section 65B.472, subdivision 1, paragraph (h), and the agency authorizing the ride has reason to believe the volunteer driver has a history that would disqualify the individual or that may pose a risk to the health or safety of passengers, the agency may initiate a background study to be completed according to chapter 245C using the commissioner of human services' online NETStudy system, or through contacting the Department of Human Services background study division for assistance. The agency that initiates the background study under this paragraph shall be responsible for providing the volunteer driver with the privacy notice required under section 245C.05, subdivision 2c, and payment for the background study required under section 245C.10, subdivision 11, before the background study is completed.

Sec. 27. Minnesota Statutes 2020, section 221.031, subdivision 3b, is amended to read:

Subd. 3b. **Passenger transportation; exemptions.** (a) A person who transports passengers for hire in intrastate commerce, who is not made subject to the rules adopted in section 221.0314 by any other provision of this section, must comply with the rules for hours of service of drivers while transporting employees of an employer who is directly or indirectly paying the cost of the transportation.

(b) This subdivision does not apply to:

(1) a local transit commission;

(2) a transit authority created by law; or

(3) persons providing transportation:

(i) in a school bus as defined in section 169.011, subdivision 71;

(ii) in a Head Start bus as defined in section 169.011, subdivision 34;

(iii) in a commuter van;

(iv) in an authorized emergency vehicle as defined in section 169.011, subdivision 3;

(v) in special transportation service certified by the commissioner under section 174.30;

(vi) that is special transportation service as defined in section 174.29, subdivision 1, when provided by a volunteer driver, as defined in section 65B.472, subdivision 1, paragraph (h), operating a private passenger vehicle as defined in section 169.011, subdivision 52;

(vii) in a limousine the service of which is licensed by the commissioner under section 221.84; or

(viii) in a taxicab, if the fare for the transportation is determined by a meter inside the taxicab that measures the distance traveled and displays the fare accumulated.

Sec. 28. Minnesota Statutes 2020, section 256B.0625, subdivision 17, is amended to read:

Subd. 17. **Transportation costs.** (a) "Nonemergency medical transportation service" means motor vehicle transportation provided by a public or private person that serves Minnesota health care program beneficiaries who do not require emergency ambulance service, as defined in section 144E.001, subdivision 3, to obtain covered medical services.

(b) Medical assistance covers medical transportation costs incurred solely for obtaining emergency medical care or transportation costs incurred by eligible persons in obtaining emergency or nonemergency medical care when paid directly to an ambulance company, nonemergency medical transportation company, or other recognized providers of transportation services. Medical transportation must be provided by:

(1) nonemergency medical transportation providers who meet the requirements of this subdivision;

(2) ambulances, as defined in section 144E.001, subdivision 2;

(3) taxicabs that meet the requirements of this subdivision;

(4) public transit, as defined in section 174.22, subdivision 7; or

(5) not-for-hire vehicles, including volunteer drivers, as defined in section 65B.472, subdivision 1, paragraph (h).

(c) Medical assistance covers nonemergency medical transportation provided by nonemergency medical transportation providers enrolled in the Minnesota health care programs. All nonemergency medical transportation providers must comply with the operating standards for special transportation service as defined in sections 174.29 to 174.30 and Minnesota Rules, chapter 8840, and all drivers must be individually enrolled with the commissioner and reported on the claim as the individual who provided the service. All nonemergency medical transportation providers shall bill for nonemergency medical transportation services in accordance with Minnesota health care programs criteria. Publicly operated transit systems, volunteers, and not-for-hire vehicles are exempt from the requirements outlined in this paragraph.

(d) An organization may be terminated, denied, or suspended from enrollment if:

(1) the provider has not initiated background studies on the individuals specified in section 174.30, subdivision 10, paragraph (a), clauses (1) to (3); or

(2) the provider has initiated background studies on the individuals specified in section 174.30, subdivision 10, paragraph (a), clauses (1) to (3), and:

(i) the commissioner has sent the provider a notice that the individual has been disqualified under section 245C.14; and

(ii) the individual has not received a disqualification set-aside specific to the special transportation services provider under sections 245C.22 and 245C.23.

(e) The administrative agency of nonemergency medical transportation must:

(1) adhere to the policies defined by the commissioner in consultation with the Nonemergency Medical Transportation Advisory Committee;

(2) pay nonemergency medical transportation providers for services provided to Minnesota health care programs beneficiaries to obtain covered medical services;

(3) provide data monthly to the commissioner on appeals, complaints, no-shows, canceled trips, and number of trips by mode; and

(4) by July 1, 2016, in accordance with subdivision 18e, utilize a web-based single administrative structure assessment tool that meets the technical requirements established by the commissioner, reconciles trip information with claims being submitted by providers, and ensures prompt payment for nonemergency medical transportation services.

(f) Until the commissioner implements the single administrative structure and delivery system under subdivision 18e, clients shall obtain their level-of-service certificate from the commissioner or an entity approved by the commissioner that does not dispatch rides for clients using modes of transportation under paragraph (i), clauses (4), (5), (6), and (7).

(g) The commissioner may use an order by the recipient's attending physician, advanced practice registered nurse, or a medical or mental health professional to certify that the recipient requires nonemergency medical transportation services. Nonemergency medical transportation providers shall perform driver-assisted services for eligible individuals, when appropriate. Driver-assisted service includes passenger pickup at and return to the individual's residence or place of business, assistance with admittance of the individual to the medical facility, and assistance in passenger securement or in securing of wheelchairs, child seats, or stretchers in the vehicle.

Nonemergency medical transportation providers must take clients to the health care provider using the most direct route, and must not exceed 30 miles for a trip to a primary care provider or 60 miles for a trip to a specialty care provider, unless the client receives authorization from the local agency.

Nonemergency medical transportation providers may not bill for separate base rates for the continuation of a trip beyond the original destination. Nonemergency medical transportation providers must maintain trip logs, which include pickup and drop-off times, signed by the medical provider or client, whichever is deemed most appropriate, attesting to mileage traveled to obtain covered medical services. Clients requesting client mileage reimbursement must sign the trip log attesting mileage traveled to obtain covered medical services.

(h) The administrative agency shall use the level of service process established by the commissioner in consultation with the Nonemergency Medical Transportation Advisory Committee to determine the client's most appropriate mode of transportation. If public transit or a certified transportation provider is not available to provide the appropriate service mode for the client, the client may receive a onetime service upgrade.

(i) The covered modes of transportation are:

(1) client reimbursement, which includes client mileage reimbursement provided to clients who have their own transportation, or to family or an acquaintance who provides transportation to the client;

(2) volunteer transport, which includes transportation by volunteers using their own vehicle;

(3) unassisted transport, which includes transportation provided to a client by a taxicab or public transit. If a taxicab or public transit is not available, the client can receive transportation from another nonemergency medical transportation provider;

(4) assisted transport, which includes transport provided to clients who require assistance by a nonemergency medical transportation provider;

(5) lift-equipped/ramp transport, which includes transport provided to a client who is dependent on a device and requires a nonemergency medical transportation provider with a vehicle containing a lift or ramp;

(6) protected transport, which includes transport provided to a client who has received a prescreening that has deemed other forms of transportation inappropriate and who requires a provider: (i) with a protected vehicle that is not an ambulance or police car and has safety locks, a video recorder, and a transparent thermoplastic partition between the passenger and the vehicle driver; and (ii) who is certified as a protected transport provider; and

(7) stretcher transport, which includes transport for a client in a prone or supine position and requires a nonemergency medical transportation provider with a vehicle that can transport a client in a prone or supine position.

(j) The local agency shall be the single administrative agency and shall administer and reimburse for modes defined in paragraph (i) according to paragraphs (m) and (n) when the commissioner has developed, made available, and funded the web-based single administrative structure, assessment tool, and level of need assessment under subdivision 18e. The local agency's financial obligation is limited to funds provided by the state or federal government.

(k) The commissioner shall:

(1) in consultation with the Nonemergency Medical Transportation Advisory Committee, verify that the mode and use of nonemergency medical transportation is appropriate;

(2) verify that the client is going to an approved medical appointment; and

(3) investigate all complaints and appeals.

(l) The administrative agency shall pay for the services provided in this subdivision and seek reimbursement from the commissioner, if appropriate. As vendors of medical care, local agencies are subject to the provisions in section 256B.041, the sanctions and monetary recovery actions in section 256B.064, and Minnesota Rules, parts 9505.2160 to 9505.2245.

(m) Payments for nonemergency medical transportation must be paid based on the client's assessed mode under paragraph (h), not the type of vehicle used to provide the service. The medical assistance reimbursement rates for nonemergency medical transportation services that are payable by or on behalf of the commissioner for nonemergency medical transportation services are:

(1) $0.22 per mile for client reimbursement;

(2) up to 100 percent of the Internal Revenue Service business deduction rate for volunteer transport;

(3) equivalent to the standard fare for unassisted transport when provided by public transit, and $11 for the base rate and $1.30 per mile when provided by a nonemergency medical transportation provider;

(4) $13 for the base rate and $1.30 per mile for assisted transport;

(5) $18 for the base rate and $1.55 per mile for lift-equipped/ramp transport;

(6) $75 for the base rate and $2.40 per mile for protected transport; and

(7) $60 for the base rate and $2.40 per mile for stretcher transport, and $9 per trip for an additional attendant if deemed medically necessary.

(n) The base rate for nonemergency medical transportation services in areas defined under RUCA to be super rural is equal to 111.3 percent of the respective base rate in paragraph (m), clauses (1) to (7). The mileage rate for nonemergency medical transportation services in areas defined under RUCA to be rural or super rural areas is:

(1) for a trip equal to 17 miles or less, equal to 125 percent of the respective mileage rate in paragraph (m), clauses (1) to (7); and

(2) for a trip between 18 and 50 miles, equal to 112.5 percent of the respective mileage rate in paragraph (m), clauses (1) to (7).

(o) For purposes of reimbursement rates for nonemergency medical transportation services under paragraphs (m) and (n), the zip code of the recipient's place of residence shall determine whether the urban, rural, or super rural reimbursement rate applies.

(p) For purposes of this subdivision, "rural urban commuting area" or "RUCA" means a census-tract based classification system under which a geographical area is determined to be urban, rural, or super rural.

(q) The commissioner, when determining reimbursement rates for nonemergency medical transportation under paragraphs (m) and (n), shall exempt all modes of transportation listed under paragraph (i) from Minnesota Rules, part 9505.0445, item R, subitem (2).

Sec. 29. Minnesota Statutes 2020, section 325E.21, is amended by adding a subdivision to read:

Subd. 2b. **Purchase of catalytic converters.** (a) Any person who purchases or receives a catalytic converter must comply with this section.

(b) Every scrap metal dealer, including an agent, employee, or representative of the dealer, must create a permanent record, written in English and using an electronic record program, at the time of each catalytic converter purchase or acquisition. The record must include:

(1) the vehicle identification number of the vehicle from which the catalytic converter was removed; and

(2) the name of the person who removed the catalytic converter.

(c) A scrap metal dealer must make the information under paragraph (b) available for examination by a law enforcement agency or a person who has reported theft of a catalytic converter.

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

Sec. 30. Minnesota Statutes 2020, section 325E.21, is amended by adding a subdivision to read:

Subd. 2c. **Catalytic converter theft prevention pilot project.** (a) The catalytic converter theft prevention pilot project is created to deter the theft of catalytic converters by marking catalytic converters with vehicle identification numbers or other unique identifiers.

(b) The commissioner must establish a procedure to mark the catalytic converters of vehicles most likely to be targeted for theft with unique identification numbers using labels, engraving, theft deterrence paint, or other methods that permanently mark the catalytic converter without damaging the catalytic converter's function.

(c) The commissioner must work with law enforcement agencies, insurance companies, and scrap metal dealers to (1) identify vehicles that are most frequently targeted for catalytic converter theft, and (2) establish the most effective methods for marking catalytic converters.

(d) Materials purchased under this program may be distributed to dealers, as defined in section 168.002, subdivision 6, automobile repair shops and service centers, law enforcement agencies, and community organizations to arrange the catalytic converters of vehicles most likely to be targeted for theft to be marked at no cost to the vehicle owners.

(e) The commissioner may prioritize distribution of materials to areas experiencing the highest rates of catalytic converter theft.

(f) The commissioner must make educational information resulting form the pilot program available to law enforcement agencies and scrap metal dealers, and is encouraged to publicize the program to the general public.

(g) The commissioner must include a report on the pilot project in the report required under section 65B.84, subdivision 2. The report must describe the progress, results, and any findings of the pilot project including the total number of catalytic converters marked under the program, and, to the extent known, whether any catalytic converters marked under the pilot project were stolen and the outcome of any criminal investigation into the thefts.

Sec. 31. **[325E.80] ABNORMAL MARKET DISRUPTIONS; UNCONSCIONABLY EXCESSIVE PRICES.**

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

(b) "Abnormal market disruption" means a change in the market resulting from a natural or man-made disaster, a national or local emergency, a public health emergency, or an event resulting in a declaration of a state of emergency by the governor; and occurs when specifically declared by the governor. The governor's declaration of an abnormal market disruption must note the geographic area to which this section applies. An abnormal market disruption terminates no later than 30 days after the end of the state of emergency for which the abnormal market disruption was activated.

(c) "Essential consumer good or service" means a good or service vital and necessary for the health, safety, and welfare of the public, including without limitation: food; water; fuel; gasoline; shelter; transportation; health care services; pharmaceuticals; and medical, personal hygiene, sanitation, and cleaning supplies.

(d) "Seller" means a manufacturer, supplier, wholesaler, distributor, or retail seller of goods or services.

(e) "Unconscionably excessive" means there is a gross disparity between the seller's price of a good or service offered for sale or sold in the usual course of business during the 30 days immediately prior to the governor's declaration of an abnormal market disruption and the seller's price of the same or similar good or service after the

governor's declaration of an abnormal market disruption, and the gross disparity is not substantially related to an increase in the cost of obtaining or selling the good or of providing the service. A gross disparity between the price of a good or service does not occur when the amount charged after the abnormal market disruption increased the price 30 percent or less.

Subd. 2. **Prohibition.** If the governor declares an abnormal market disruption a person is prohibited from selling or offering to sell an essential consumer good or service for an amount that represents an unconscionably excessive price.

Subd. 3. **Civil penalty.** A person who is found to have violated this section is subject to a civil penalty of not more than $1,000 per sale or transaction, with a maximum penalty of $10,000 per day.

Subd. 4. **Enforcement authority.** The attorney general may investigate an alleged violation of this section. The authority of the attorney general under this section includes but is not limited to the authority provided under section 8.31.

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

Sec. 32. Minnesota Statutes 2020, section 325F.171, is amended by adding a subdivision to read:

Subd. 5. **Enforcement.** This section may be enforced as provided under sections 325F.10 to 325F.12, 325F.14 to 325F.16, and 45.027, subdivisions 1 to 6. The commissioner may coordinate with the commissioner of the Pollution Control Agency and the commissioner of health to enforce this section.

Sec. 33. Minnesota Statutes 2020, section 325F.172, is amended by adding a subdivision to read:

Subd. 4. **Enforcement.** Sections 325F.173 to 325F.175 may be enforced as provided under sections 325F.10 to 325F.12, 325F.14 to 325F.16, and 45.027, subdivisions 1 to 6. The commissioner may coordinate with the commissioner of the Pollution Control Agency and the commissioner of health to enforce this section.

Sec. 34. **[325F.179] ENFORCEMENT.**

Sections 325F.177 and 325F.178 may be enforced as provided under sections 325F.10 to 325F.12, 325F.14 to 325F.16, and 45.027, subdivisions 1 to 6. The commissioner may coordinate with the commissioner of the Pollution Control Agency and the commissioner of health to enforce this section.

Sec. 35. Minnesota Statutes 2020, section 514.972, subdivision 4, is amended to read:

Subd. 4. **Denial of access.** Upon default, the owner shall mail notice of default as provided under section 514.974. The owner may deny the occupant access to the personal property contained in the self-service storage facility after default, service of the notice of default, expiration of the date stated for denial of access, and application of any security deposit to unpaid rent. ~~The notice of default must state the date that the occupant will be denied access to the occupant's personal property in the self-service storage facility and that access will be denied until the owner's claim has been satisfied. The notice of default must state that any dispute regarding denial of access can be raised by the occupant beginning legal action in court. Notice of default must further state the rights of the occupant contained in subdivision 5.~~

Sec. 36. Minnesota Statutes 2020, section 514.972, subdivision 5, is amended to read:

Subd. 5. **Access to certain items.** ~~The occupant may remove from the self-service storage facility personal papers, health aids, personal clothing of the occupant and the occupant's dependents, and personal property that is necessary for the livelihood of the occupant, that has a market value of less than $50 per item, if demand is made to~~

~~any of the persons listed in section 514.976, subdivision 1. The occupant shall present a list of the items, and may remove them during the facility's ordinary business hours prior to the sale authorized by section 514.973. If the owner unjustifiably denies the occupant access for the purpose of removing the items specified in this subdivision, the occupant is entitled to an order allowing access to the storage unit for removal of the specified items. The self-service storage facility is liable to the occupant for the costs, disbursements and attorney fees expended by the occupant to obtain this order.~~ (a) Any occupant may remove from the self-storage facility personal papers and health aids upon demand made to any of the persons listed in section 514.976, subdivision 1.

(b) An occupant who provides documentation from a government or nonprofit agency or legal aid office that the occupant is a recipient of relief based on need, is eligible for legal aid services, or is a survivor of domestic violence or sexual assault may remove, in addition to the items provided in paragraph (a), personal clothing of the occupant and the occupant's dependents and tools of the trade that are necessary for the livelihood of the occupant that has a market value not to exceed $125 per item.

(c) The occupant shall present a list of the items and may remove the items during the facility's ordinary business hours prior to the sale authorized by section 514.973. If the owner unjustifiably denies the occupant access for the purpose of removing the items specified in this subdivision, the occupant is entitled to request relief from the court for an order allowing access to the storage space for removal of the specified items. The self-service storage facility is liable to the occupant for the costs, disbursements, and attorney fees expended by the occupant to obtain this order.

(d) For the purposes of this subdivision, "relief based on need" includes but is not limited to receipt of a benefit from the Minnesota family investment program and diversionary work program, medical assistance, general assistance, emergency general assistance, Minnesota supplemental aid, Minnesota supplemental aid housing assistance, MinnesotaCare, Supplemental Security Income, energy assistance, emergency assistance, Supplemental Nutrition Assistance Program benefits, earned income tax credit, or Minnesota working family tax credit. Relief based on need can also be proven by providing documentation from a legal aid organization that the individual is receiving legal aid assistance, or by providing documentation from a government agency, nonprofit, or housing assistance program that the individual is receiving assistance due to domestic violence or sexual assault.

Sec. 37. Minnesota Statutes 2020, section 514.973, subdivision 3, is amended to read:

Subd. 3. **Contents of notice.** The notice must include:

(1) a statement of the amount owed for rent and other charges and demand for payment within a specified time not less than 14 days after delivery of the notice;

(2) pursuant to section 514.972, subdivision 4, a notice of denial of access to the storage space, if this denial is permitted under the terms of the rental agreement;

(3) the date that the occupant will be denied access to the occupant's personal property in the self-service storage facility;

(4) a statement that access will be denied until the owner's claim has been satisfied;

(5) a statement that any dispute regarding denial of access can be raised by an occupant beginning legal action in court;

~~(3)~~ (6) the name, street address, and telephone number of the owner, or of the owner's designated agent, whom the occupant may contact to respond to the notice;

~~(4)~~ (7) a conspicuous statement that unless the claim is paid within the time stated in the notice, the personal property will be advertised for sale. The notice must specify the time and place of the sale; and

~~(5)~~ (8) a conspicuous statement of the items that the occupant may remove without charge pursuant to section 514.972, subdivision 5, if the occupant is denied general access to the storage space.

Sec. 38. Minnesota Statutes 2020, section 514.973, subdivision 4, is amended to read:

Subd. 4. **Sale of property.** (a) A sale of personal property may take place no sooner than 45 days after default or, if the personal property is a motor vehicle or watercraft, no sooner than 60 days after default.

(b) After the expiration of the time given in the notice, the sale must be published once a week for two weeks consecutively in a newspaper of general circulation where the sale is to be held. The sale may take place no sooner than 15 days after the first publication. If the lien is satisfied before the second publication occurs, the second publication is waived. If there is no qualified newspaper under chapter 331A where the sale is to be held, the advertisement may be posted on an independent, publicly accessible website that advertises self-storage lien sales or public notices. The advertisement must include a general description of the goods, the name of the person on whose account the goods are being held, and the time and place of the sale.

(c) A sale of the personal property must conform to the terms of the notification.

(d) A sale of the personal property must be public and must be either:

(1) held via an online auction; or

(2) held at the storage facility, or at the nearest suitable place at which the personal property is held or stored.

Owners shall require all bidders, including online bidders, to register and agree to the rules of the sale.

(e) The sale must be conducted in a commercially reasonable manner. A sale is commercially reasonable if the property is sold in conformity with the practices among dealers in the property sold or sellers of similar distressed property sales.

Sec. 39. Minnesota Statutes 2020, section 514.974, is amended to read:

514.974 ADDITIONAL NOTIFICATION REQUIREMENT.

~~Notification of the proposed sale of personal property must include a notice of denial of access to the personal property until the owner's claim has been satisfied.~~ Any notice the owner is required to mail to the occupant under sections 514.970 to 514.979 shall be sent to:

(1) the e-mail address, if consented to by the occupant, as provided in section 514.973, subdivision 2;

(2) the mailing address and any alternate mailing address provided by the occupant in the rental agreement; or

(3) the last known mailing address of the occupant, if the last known mailing address differs from the mailing address listed by the occupant in the rental agreement and the owner has reason to believe that the last known mailing address is more current.

Sec. 40. Minnesota Statutes 2020, section 514.977, is amended to read:

514.977 ~~DEFAULT~~ ADDITIONAL REMEDIES.

Subdivision 1. **Default; breach of rental agreement.** If an occupant defaults in the payment of rent for the storage space or otherwise breaches the rental agreement, the owner may commence an ~~eviction~~ action ~~under chapter 504B~~ to terminate the rental agreement, recover possession of the storage space, remove the occupant, and dispose of the stored personal property. The action shall be conducted in accordance with the Minnesota Rules of Civil Procedure, except as provided in this section.

Subd. 2. **Service of summons.** The summons must be served at least seven days before the date of the court appearance as provided in subdivision 3.

Subd. 3. **Appearance.** Except as provided in subdivision 4, in an action filed under this section the appearance shall be not less than seven or more than 14 days from the day of issuing the summons.

Subd. 4. **Expedited hearing.** If the owner files a motion and affidavit stating specific facts and instances in support of an allegation that the occupant is causing a nuisance or engaging in illegal or other behavior that seriously endangers the safety of others, others' property, or the storage facility's property, the appearance shall be not less than three days nor more than seven days from the date the summons is issued. The summons in an expedited hearing shall be served upon the occupant within 24 hours of issuance unless the court orders otherwise for good cause shown.

Subd. 5. **Answer; trial; continuance.** At the court appearance specified in the summons, the defendant may answer the complaint, and the court shall hear and decide the action, unless it grants a continuance of the trial, which may be for no longer than six days, unless all parties consent to longer continuance.

Subd. 6. **Counterclaims.** The occupant is prohibited from bringing counterclaims in the action that are unrelated to the possession of the storage space. Nothing in this section prevents the occupant from bringing the claim in a separate action.

Subd. 7. **Judgment; writ.** Judgment in matters adjudicated under this section shall be in accordance with section 504B.345, paragraph (a). Execution of a writ issued under this section shall be in accordance with section 504B.365.

Sec. 41. **THIRD-PARTY FOOD DELIVERY FEES; LIMITATION.**

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

(b) "Delivery fee" means a fee charged by a third-party food delivery service to a food and beverage establishment for a service that delivers food or beverages from the establishment to customers. Delivery fee does not include (1) any other fee that may be charged by a third-party food delivery service to a food and beverage establishment, including but not limited to fees for marketing, listing, or advertising the food and beverage establishment on the third-party food delivery service platform, or (2) fees related to processing an online order.

(c) "Food and beverage establishment" or "establishment" means a retail business that sells prepared food or beverages to the public.

(d) "Online order" means an order, including a telephone order, placed by a customer through or with the assistance of a platform provided by a third-party food delivery service.

(e) "Purchase price" means the total price of the items contained in an online order that are listed on the menu of the food and beverage establishment where the order is placed. Purchase price does not include taxes, gratuities, or other fees that may make up the total cost of a customer's online order.

(f) "Third-party food delivery service" means a platform offered through an online-enabled application, software, website, or other Internet service that offers or arranges for the sale of food and beverages prepared by, delivered by, or picked up from a food and beverage establishment.

Subd. 2. **Limitation on food delivery fees.** (a) A third-party food delivery service is prohibited from:

(1) charging a food and beverage establishment a delivery fee that totals more than ten percent of an online order's purchase price;

(2) charging a food and beverage establishment any fee, other than the delivery fee described in clause (1), to use the third-party delivery service that totals more than five percent of an online order's purchase price;

(3) charging a customer a purchase price that is higher than the price set by the food and beverage establishment or, if no price is set by the food and beverage establishment, the price listed on the establishment's menu; or

(4) reducing the compensation rates paid to third-party food delivery service drivers as a result of the limitations on fees instituted by this section.

(b) A food and beverage establishment may choose, but a third-party food delivery service is prohibited from requiring, an exemption for marketing or advertising the food and beverage establishment on the third-party food delivery service platform from the limitations in paragraph (a).

Subd. 3. **Enforcement by attorney general.** (a) The attorney general must enforce this section under Minnesota Statutes, section 8.31.

(b) In addition to the remedies otherwise provided by law, a person injured by a violation of subdivision 2 may bring a civil action and recover damages, together with costs and disbursements, including costs of investigation and reasonable attorney fees, and receive other equitable relief as determined by the court.

EFFECTIVE DATE. This section is effective the day following final enactment and expires 60 days after the peacetime emergency declared by the governor in an executive order that relates to the infectious disease known as COVID-19 is terminated or rescinded.

ARTICLE 5
COLLECTION AGENCIES AND DEBT BUYERS

Section 1. Minnesota Statutes 2020, section 332.31, subdivision 3, is amended to read:

Subd. 3. **Collection agency.** "Collection agency" or "licensee" means ~~and includes any~~ (1) a person engaged in the business of collection for others any account, bill, or other indebtedness, except as hereinafter provided; or (2) a debt buyer. It includes persons who furnish collection systems carrying a name which simulates the name of a collection agency and who supply forms or form letters to be used by the creditor, even though such forms direct the debtor to make payments directly to the creditor rather than to such fictitious agency.

Sec. 2. Minnesota Statutes 2020, section 332.31, subdivision 6, is amended to read:

Subd. 6. **Collector.** "Collector" is a person acting under the authority of a collection agency under subdivision 3 or a debt buyer under subdivision 8, and on its behalf in the business of collection for ~~others~~ an account, bill, or other indebtedness except as otherwise provided in this chapter.

Sec. 3. Minnesota Statutes 2020, section 332.31, is amended by adding a subdivision to read:

Subd. 8. **Debt buyer.** "Debt buyer" means a business engaged in the purchase of any charged-off account, bill, or other indebtedness for collection purposes, whether the business collects the account, bill, or other indebtedness, hires a third party for collection, or hires an attorney for litigation related to the collection.

Sec. 4. Minnesota Statutes 2020, section 332.31, is amended by adding a subdivision to read:

Subd. 9. **Affiliated company.** "Affiliated company" means a company that: (1) directly or indirectly controls, is controlled by, or is under common control with another company or companies; (2) has the same executive management team or owner that exerts control over the business operations of the company; (3) maintains a uniform network of corporate and compliance policies and procedures; and (4) does not engage in active collection of debts.

Sec. 5. Minnesota Statutes 2020, section 332.311, is amended to read:

332.311 TRANSFER OF ADMINISTRATIVE FUNCTIONS.

The powers, duties, and responsibilities of the consumer services section under sections 332.31 to 332.44 relating to collection agencies and debt buyers are hereby transferred to and imposed upon the commissioner of commerce.

Sec. 6. Minnesota Statutes 2020, section 332.32, is amended to read:

332.32 EXCLUSIONS.

(a) The term "collection agency" ~~shall~~ does not include ~~persons whose collection activities are confined to and are directly related to the operation of a business other than that of a collection agency such as, but not limited to~~ banks when collecting accounts owed to the banks and when the bank will sustain any loss arising from uncollectible accounts, abstract companies doing an escrow business, real estate brokers, public officers, persons acting under order of a court, lawyers, trust companies, insurance companies, credit unions, savings associations, loan or finance companies unless they are engaged in asserting, enforcing or prosecuting unsecured claims which have been purchased from any person, firm, or association when there is recourse to the seller for all or part of the claim if the claim is not collected.

(b) The term "collection agency" shall not include a trade association performing services authorized by section 604.15, subdivision 4a, but the trade association in performing the services may not engage in any conduct that would be prohibited for a collection agency under section 332.37.

Sec. 7. Minnesota Statutes 2020, section 332.33, subdivision 1, is amended to read:

Subdivision 1. **Requirement.** Except as otherwise provided in this chapter, no person shall conduct ~~within this state a collection agency or engage within this state in the business of collecting claims for others~~ business in Minnesota as a collection agency or debt buyer, as defined in sections 332.31 to 332.44, without having first applied for and obtained a collection agency license. A person acting under the authority of a collection agency, debt buyer, or as a collector~~,~~ must first register with the commissioner under this section. A registered collector may use one additional assumed name only if the assumed name is registered with and approved by the commissioner. A business that operates as a debt buyer must submit a completed license application no later than January 1, 2022. A debt buyer who has filed an application with the commissioner for a collection agency license prior to January 1, 2022, and whose application remains pending with the commissioner thereafter, may continue to operate without a license until the commissioner approves or denies the application.

Sec. 8. Minnesota Statutes 2020, section 332.33, subdivision 2, is amended to read:

Subd. 2. **Penalty.** A person who carries on business as a collection agency or debt buyer without first having obtained a license or acts as a collector without first having registered with the commissioner pursuant to sections 332.31 to 332.44, or who carries on this business after the revocation, suspension, or expiration of a license or registration is guilty of a misdemeanor.

Sec. 9. Minnesota Statutes 2020, section 332.33, subdivision 5, is amended to read:

Subd. 5. **~~Collection agency~~ License rejection.** On finding that an applicant for a ~~collection agency~~ license is not qualified under sections 332.31 to 332.44, the commissioner shall reject the application and shall give the applicant written notice of the rejection and the reasons for the rejection.

Sec. 10. Minnesota Statutes 2020, section 332.33, subdivision 5a, is amended to read:

Subd. 5a. **Individual collector registration.** A ~~licensed collection agency~~ licensee, on behalf of an individual collector, must register with the state all individuals in the ~~collection agency's~~ licensee's employ who are performing the duties of a collector as defined in sections 332.31 to 332.44. The ~~collection agency~~ licensee must apply for an individual collection registration in a form prescribed by the commissioner. The ~~collection agency~~ licensee shall verify on the form that the applicant has confirmed that the applicant meets the requirements to perform the duties of a collector as defined in sections 332.31 to 332.44. Upon submission of the application to the department, the individual may begin to perform the duties of a collector and may continue to do so unless the ~~licensed collection agency~~ licensee is informed by the commissioner that the individual is ineligible.

Sec. 11. Minnesota Statutes 2020, section 332.33, subdivision 7, is amended to read:

Subd. 7. **Changes; notice to commissioner.** (a) A ~~licensed collection agency~~ licensee must give the commissioner written notice of a change in company name, address, or ownership not later than ten days after the change occurs. A registered individual collector must give written notice of a change of address, name, or assumed name no later than ten days after the change occurs.

(b) Upon the death of any ~~collection agency~~ licensee, the license of the decedent may be transferred to the executor or administrator of the estate for the unexpired term of the license. The executor or administrator may be authorized to continue or discontinue the collection business of the decedent under the direction of the court having jurisdiction of the probate.

Sec. 12. Minnesota Statutes 2020, section 332.33, subdivision 8, is amended to read:

Subd. 8. **Screening process requirement.** (a) Each ~~licensed collection agency~~ licensee must establish procedures to follow when screening an individual collector applicant prior to submitting an applicant to the commissioner for initial registration and at renewal.

(b) The screening process for initial registration must be done at the time of hiring. The process must include a national criminal history record search, an attorney licensing search, and a county criminal history search for all counties where the applicant has resided within the five years immediately preceding the initial registration, to determine whether the applicant is eligible to be registered under section 332.35. Each ~~licensed collection agency~~ licensee shall use a vendor that is a member of the National Association of Professional Background Screeners, or an equivalent vendor, to conduct this background screening process.

(c) Screening for renewal of individual collector registration must include a national criminal history record search and a county criminal history search for all counties where the individual has resided during the immediate preceding year. Screening for renewal of individual collector registrations must take place no more than 60 days

before the license expiration or renewal date. A renewal screening is not required if an individual collector has been subjected to an initial background screening within 12 months of the first registration renewal date. A renewal screening is required for all subsequent annual registration renewals.

(d) The commissioner may review the procedures to ensure the integrity of the screening process. Failure by a ~~licensed collection agency~~ licensee to establish these procedures is subject to action under section 332.40.

Sec. 13. Minnesota Statutes 2020, section 332.33, is amended by adding a subdivision to read:

Subd. 9. **Affiliated companies.** The commissioner must permit affiliated companies to operate under a single license and be subject to a single examination, provided that all of the affiliated company names are listed on the license.

Sec. 14. Minnesota Statutes 2020, section 332.34, is amended to read:

332.34 BOND.

The commissioner of commerce shall require each ~~collection agency~~ licensee to file and maintain in force a corporate surety bond, in a form to be prescribed by, and acceptable to, the commissioner, and in a sum of at least $50,000 plus an additional $5,000 for each $100,000 received by the collection agency from debtors located in Minnesota during the previous calendar year, less commissions earned by the collection agency on those collections for the previous calendar year. The total amount of the bond shall not exceed $100,000. A ~~collection agency~~ licensee may deposit cash in and with a depository acceptable to the commissioner in an amount and in the manner prescribed and approved by the commissioner in lieu of a bond.

Sec. 15. Minnesota Statutes 2020, section 332.345, is amended to read:

332.345 SEGREGATED ACCOUNTS.

A payment collected by a collector or collection agency on behalf of a customer shall be held by the collector or collection agency in a separate trust account clearly designated for customer funds. The account must be in a bank or other depository institution authorized or chartered under the laws of any state or of the United States. This section does not apply to a debt buyer, except to the extent the debt buyer engages in third-party debt collection for others.

Sec. 16. Minnesota Statutes 2020, section 332.355, is amended to read:

332.355 AGENCY RESPONSIBILITY FOR COLLECTORS.

The commissioner may take action against a ~~collection agency~~ licensee for any violations of debt collection laws by its debt collectors. The commissioner may also take action against the debt collectors themselves for these same violations.

Sec. 17. Minnesota Statutes 2020, section 332.37, is amended to read:

332.37 PROHIBITED PRACTICES.

(a) No collection agency, debt buyer, or collector shall:

(1) in collection letters or publications, or in any communication, oral or written threaten wage garnishment or legal suit by a particular lawyer, unless it has actually retained the lawyer;

(2) use or employ sheriffs or any other officer authorized to serve legal papers in connection with the collection of a claim, except when performing their legally authorized duties;

(3) use or threaten to use methods of collection which violate Minnesota law;

(4) furnish legal advice or otherwise engage in the practice of law or represent that it is competent to do so;

(5) communicate with debtors in a misleading or deceptive manner by using the stationery of a lawyer, forms or instruments which only lawyers are authorized to prepare, or instruments which simulate the form and appearance of judicial process;

(6) exercise authority on behalf of a ~~creditor~~ client to employ the services of lawyers unless the ~~creditor~~ client has specifically authorized the agency in writing to do so and the agency's course of conduct is at all times consistent with a true relationship of attorney and client between the lawyer and the ~~creditor~~ client;

(7) publish or cause to be published any list of debtors except for credit reporting purposes, use shame cards or shame automobiles, advertise or threaten to advertise for sale any claim as a means of forcing payment thereof, or use similar devices or methods of intimidation;

(8) refuse to return any claim or claims and all valuable papers deposited with a claim or claims upon written request of the ~~creditor~~ client, claimant or forwarder after tender of the amounts due and owing to ~~the~~ a collection agency within 30 days after the request; refuse or intentionally fail to account to its clients for all money collected within 30 days from the last day of the month in which the same is collected; or, refuse or fail to furnish at intervals of not less than 90 days upon written request of the claimant or forwarder, a written report upon claims received from the claimant or forwarder;

(9) operate under a name or in a manner which implies that the collection agency or debt buyer is a branch of or associated with any department of federal, state, county or local government or an agency thereof;

(10) commingle money collected for a customer with the collection agency's operating funds or use any part of a customer's money in the conduct of the collection agency's business;

(11) transact business or hold itself out as a debt ~~prorater~~ settlement company, debt management company, debt adjuster, or any person who settles, adjusts, prorates, pools, liquidates or pays the indebtedness of a debtor, unless there is no charge to the debtor, or the pooling or liquidation is done pursuant to court order or under the supervision of a creditor's committee;

(12) violate any of the provisions of the Fair Debt Collection Practices Act of 1977, Public Law 95-109, while attempting to collect on any account, bill or other indebtedness;

(13) communicate with a debtor by use of a recorded message utilizing an automatic dialing announcing device ~~unless the recorded message is immediately preceded by a live operator who discloses prior to the message the name of the collection agency and the fact the message intends to solicit payment and the operator obtains the consent of the debtor to hearing the message~~ after the debtor expressly informs the agency or collector to cease communication utilizing an automatic dialing announcing device;

(14) in collection letters or publications, or in any communication, oral or written, imply or suggest that health care services will be withheld in an emergency situation;

(15) when a debtor has a listed telephone number, enlist the aid of a neighbor or third party to request that the debtor contact the licensee or collector, except a person who resides with the debtor or a third party with whom the debtor has authorized the licensee or collector to place the request. This clause does not apply to a call back message left at the debtor's place of employment which is limited to the licensee's or collector's telephone number and name;

(16) when attempting to collect a debt, fail to provide the debtor with the full name of the collection agency or debt buyer as it appears on its license or as listed on any "doing business as" or "d/b/a" registered with the Department of Commerce;

(17) collect any money from a debtor that is not reported to a ~~creditor or~~ client;

(18) fail to return any amount of overpayment from a debtor to the debtor or to the state of Minnesota pursuant to the requirements of chapter 345;

~~(18)~~ (19) accept currency or coin as payment for a debt without issuing an original receipt to the debtor and maintaining a duplicate receipt in the debtor's payment records;

~~(19)~~ (20) attempt to collect any amount ~~of money~~, including any interest, fee, charge, or expense incidental to the charge-off obligation, from a debtor ~~or~~ unless the amount is expressly authorized by the agreement creating the debt or is otherwise permitted by law;

(21) charge a fee to a ~~creditor~~ client that is not authorized by agreement with the client;

~~(20)~~ (22) falsify any collection agency documents with the intent to deceive a debtor, creditor, or governmental agency;

~~(21)~~ (23) when initially contacting a Minnesota debtor by mail, fail to include a disclosure on the contact notice, in a type size or font which is equal to or larger than the largest other type of type size or font used in the text of the notice. The disclosure must state: "This collection agency is licensed by the Minnesota Department of Commerce" or "This debt buyer is licensed by the Minnesota Department of Commerce" as applicable; or

~~(22)~~ (24) commence legal action to collect a debt outside the limitations period set forth in section 541.053.

(b) Paragraph (a), clauses (6), (8), (10), (17), and (21), do not apply to debt buyers except to the extent the debt buyer engages in third-party debt collection for others.

Sec. 18. Minnesota Statutes 2020, section 332.385, is amended to read:

332.385 NOTIFICATION TO COMMISSIONER.

The collection agency or debt buyer licensee shall notify the commissioner of any employee termination within ten days of the termination if ~~it~~ the termination is based in whole or in part ~~based~~ on a violation of this chapter.

Sec. 19. Minnesota Statutes 2020, section 332.40, subdivision 3, is amended to read:

Subd. 3. **Commissioner's powers.** (a) For the purpose of any investigation or proceeding under sections 332.31 to 332.44, the commissioner or any person designated by the commissioner may administer oaths and affirmations, subpoena collection agencies, debt buyers, or collectors and compel their attendance, take evidence and require the production of any books, papers, correspondence, memoranda, agreements or other documents or records which the commissioner deems relevant or material to the inquiry. The subpoena shall contain a written statement setting forth the circumstances which have reasonably caused the commissioner to believe that a violation of sections 332.31 to 332.44 may have occurred.

(b) In the event that the collection agency, debt buyer, or collector refuses to obey the subpoena, or should the commissioner, upon completion of the examination of the collection agency, debt buyer, or collector, reasonably conclude that a violation has occurred, the commissioner may examine additional witnesses, including third parties, as may be necessary to complete the investigation.

(c) Any subpoena issued pursuant to this section shall be served by certified mail or by personal service. Service shall be made at least 15 days prior to the date of appearance.

Sec. 20. Minnesota Statutes 2020, section 332.42, subdivision 1, is amended to read:

Subdivision 1. **Verified financial statement.** The commissioner of commerce may at any time require a ~~collection agency~~ licensee to submit a verified financial statement for examination by the commissioner to determine whether the ~~collection agency~~ licensee is financially responsible to carry on a collection ~~agency~~ business within the intents and purposes of sections 332.31 to 332.44.

Sec. 21. Minnesota Statutes 2020, section 332.42, subdivision 2, is amended to read:

Subd. 2. **Record keeping.** The commissioner shall require the collection agency or debt buyer licensee to keep such books and records in the licensee's place of business in this state as will enable the commissioner to determine whether there has been compliance with the provisions of sections 332.31 to 332.44, unless the agency is a foreign corporation duly authorized, admitted, and licensed to do business in this state and complies with all the requirements of chapter 303 and with all other requirements of sections 332.31 to 332.44. Every collection agency licensee shall preserve the records of final entry used in such business for a period of five years after final remittance is made on any amount placed with the licensee for collection or after any account has been returned to the claimant on which one or more payments have been made. Every debt buyer licensee must preserve the records of final entry used in the business for a period of five years after final collection of any purchased account.

Sec. 22. **GARNISHMENT PROHIBITIONS ON COVID-19 GOVERNMENT ASSISTANCE.**

(a) Federal, state, local, and tribal governmental payments issued to relieve the adverse economic impact caused by the COVID-19 pandemic are exempt from all claims for garnishments and levies of consumer debtors of debt primarily for personal, family, or household purposes governed by Minnesota Statutes, chapters 550, 551, and 571.

(b) Paragraph (a) does not apply to domestic support orders and obligations, including child support and spousal maintenance obligations, including but not limited to orders and obligations under Minnesota Statutes, chapters 518 and 518A.

(c) This section expires on December 31, 2022.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies to government assistance provided on or after March 13, 2020.

ARTICLE 6
COMMERCE MISCELLANEOUS

Section 1. Minnesota Statutes 2020, section 45.305, subdivision 1, is amended to read:

Subdivision 1. **~~Appraiser and~~ Insurance Internet prelicense courses.** The design and delivery of ~~an appraiser prelicense education course or~~ an insurance prelicense education course must be approved by the International Distance Education Certification Center (IDECC) before the course is submitted for the commissioner's approval.

Sec. 2. Minnesota Statutes 2020, section 45.305, is amended by adding a subdivision to read:

Subd. 1a. **Appraiser Internet prelicense courses.** The requirements for the design and delivery of an appraiser prelicense education course are the requirements established by the Appraiser Qualifications Board of the Appraisal Foundation and published in the most recent version of the Real Property Appraiser Qualification Criteria.

Sec. 3. Minnesota Statutes 2020, section 45.306, is amended by adding a subdivision to read:

Subd. 1a. **Appraiser Internet continuing education courses.** The requirements for the design and delivery of an appraiser continuing education course are the requirements established by the Appraiser Qualifications Board of the Appraisal Foundation and published in the most recent version of the Real Property Appraiser Qualification Criteria.

Sec. 4. Minnesota Statutes 2020, section 45.33, subdivision 1, is amended to read:

Subdivision 1. **Prohibitions.** In connection with an approved course, coordinators and instructors must not:

(1) recommend or promote the services or practices of a particular business;

(2) encourage or recruit individuals to engage the services of, or become associated with, a particular business;

(3) use materials, clothing, or other evidences of affiliation with a particular entity, except as provided under subdivision 3;

(4) require students to participate in other programs or services offered by the instructor, coordinator, or education provider;

(5) attempt, either directly or indirectly, to discover questions or answers on an examination for a license;

(6) disseminate to any other person specific questions, problems, or information known or believed to be included in licensing examinations;

(7) misrepresent any information submitted to the commissioner;

(8) fail to cover, or ensure coverage of, all points, issues, and concepts contained in the course outline approved by the commissioner during the approved instruction; and

(9) issue inaccurate course completion certificates.

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

Sec. 5. Minnesota Statutes 2020, section 45.33, is amended by adding a subdivision to read:

Subd. 3. **Exceptions.** In connection with an approved course, coordinators and instructors may:

(1) display a company or course provider's logo or branding;

(2) establish a trade-show or conference booth outside the classroom where the educational content is being delivered that is separate from a registration location used to track or facilitate student attendance;

(3) display the logo or branding associated with a particular entity to thank the entity as an organizational partner of the course provider during a scheduled and approved break in the delivery of course content. The display must be separate from a registration location used to track or facilitate student attendance; and

(4) display a third-party logo, promotion, advertisement, or affiliation with a particular entity as part of a course program or advertising for an approved course. For purposes of this subdivision, course program means digital or paper literature describing the schedule of the events, presenters, duration, or background information of the approved course or courses. A course program may be made available in the classroom or at a registration location used to track or facilitate student attendance.

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

Sec. 6. Minnesota Statutes 2020, section 60A.71, subdivision 7, is amended to read:

Subd. 7. **Duration; fees.** (a) Each applicant for a reinsurance intermediary license shall pay to the commissioner a fee of $200 for an initial two-year license and a fee of $150 for each renewal. Applications shall be submitted on forms prescribed by the commissioner.

(b) Initial licenses issued under this chapter are valid for a period not to exceed 24 months and expire on October 31 of the renewal year assigned by the commissioner. Each renewal reinsurance intermediary license is valid for a period of 24 months. ~~Licensees who submit renewal applications postmarked or delivered on or before October 15 of the renewal year may continue to transact business whether or not the renewal license has been received by November 1. Licensees who submit applications postmarked or delivered after October 15 of the renewal year must not transact business after the expiration date of the license until the renewal license has been received.~~

(c) All fees are nonreturnable, except that an overpayment of any fee may be refunded upon proper application.

Sec. 7. Minnesota Statutes 2020, section 79.55, subdivision 10, is amended to read:

Subd. 10. **Duties of commissioner; report.** ~~The commissioner shall issue a report by March 1 of each year, comparing the average rates charged by workers' compensation insurers in the state to the pure premium base rates filed by the association, as reviewed by the Rate Oversight Commission. The Rate Oversight Commission shall review the commissioner's report and if the experience indicates that rates have not reasonably reflected changes in pure premiums, the rate oversight commission shall recommend to the legislature appropriate legislative changes to this chapter.~~

(a) By March 1 of each year, the commissioner must issue a report that evaluates the competitiveness of the workers' compensation market in Minnesota in order to evaluate whether the competitive rating law is working.

(b) The report under this subdivision must: (1) compare the average rates charged by workers' compensation insurers in Minnesota with the pure premium base rates filed by the association; and (2) provide market information, including but not limited to the number of carriers, market shares, the loss-cost multipliers used by companies, and the residual market and self-insurance.

(c) The commissioner must provide the report to the Rate Oversight Commission for review. If after reviewing the report the Rate Oversight Commission concludes that concerns exist regarding the competitiveness of the workers' compensation market in Minnesota, the Rate Oversight Commission must recommend to the legislature appropriate modifications to this chapter.

Sec. 8. Minnesota Statutes 2020, section 80G.06, subdivision 1, is amended to read:

Subdivision 1. **Surety bond requirement.** (a) Every dealer shall maintain a current, valid surety bond issued by a surety company admitted to do business in Minnesota in an amount based on the transactions conducted with Minnesota consumers (purchases from and sales to consumers at retail) during the 12-month period prior to registration, or renewal, whichever is applicable.

(b) The amount of the surety bond shall be as specified in the table below:

Transaction Amount in Preceding 12-month Period	Surety Bond Required
~~$25,000~~ $0 to $200,000	$25,000
$200,000.01 to $500,000	$50,000
$500,000.01 to $1,000,000	$100,000
$1,000,000.01 to $2,000,000	$150,000
Over $2,000,000	$200,000

Sec. 9. **[80G.11] NOTIFICATION TO COMMISSIONER.**

A dealer must notify the commissioner of any dealer representative termination within ten days of the termination if the termination is based in whole or in part on a violation of this chapter.

Sec. 10. Minnesota Statutes 2020, section 82.57, subdivision 1, is amended to read:

Subdivision 1. **Amounts.** The following fees shall be paid to the commissioner:

(a) a fee of $150 for each initial individual broker's license, and a fee of $100 for each renewal thereof;

(b) a fee of $70 for each initial salesperson's license, and a fee of $40 for each renewal thereof;

(c) a fee of $85 for each initial real estate closing agent license, and a fee of $60 for each renewal thereof;

(d) a fee of $150 for each initial corporate, limited liability company, or partnership license, and a fee of $100 for each renewal thereof;

(e) a fee for payment to the education, research and recovery fund in accordance with section 82.86;

(f) a fee of $20 for each transfer;

~~(g) a fee of $50 for license reinstatement;~~

~~(h)~~ (g) a fee of $20 for reactivating a corporate, limited liability company, or partnership license; and

~~(i)~~ (h) in addition to the fees required under this subdivision, individual licensees under clauses (a) and (b) shall pay, for each initial license and renewal, a technology surcharge of up to $40 under section 45.24, unless the commissioner has adjusted the surcharge as permitted under that section.

Sec. 11. Minnesota Statutes 2020, section 82.57, subdivision 5, is amended to read:

Subd. 5. **Initial license expiration; fee reduction.** ~~If an initial license issued under subdivision 1, paragraph (a), (b), (c), or (d) expires less than 12 months after issuance, the license fee shall be reduced by an amount equal to one half the fee for a renewal of the license.~~ An initial license issued under this chapter expires in the year that results in the term of the license being at least 12 months, but no more than 24 months.

Sec. 12. Minnesota Statutes 2020, section 82.62, subdivision 3, is amended to read:

Subd. 3. **Timely renewals.** A person ~~whose application for a license renewal has not been timely submitted and~~ who has not received notice of approval of renewal may not continue to transact business either as a real estate broker, salesperson, or closing agent after June 30 of the renewal year until approval of renewal is received. Application for renewal of a license is timely submitted if~~:~~ all requirements for renewal, including continuing education requirements, have been completed and reported pursuant to section 45.43, subdivision 1.

~~(1) all requirements for renewal, including continuing education requirements, have been completed by June 15 of the renewal year; and~~

~~(2) the application is submitted before the renewal deadline in the manner prescribed by the commissioner, duly executed and sworn to, accompanied by fees prescribed by this chapter, and containing any information the commissioner requires.~~

Sec. 13. Minnesota Statutes 2020, section 82.81, subdivision 12, is amended to read:

Subd. 12. **Fraudulent, deceptive, and dishonest practices.** (a) **Prohibitions.** For the purposes of section 82.82, subdivision 1, clause (b), the following acts and practices constitute fraudulent, deceptive, or dishonest practices:

(1) act on behalf of more than one party to a transaction without the knowledge and consent of all parties;

(2) act in the dual capacity of licensee and undisclosed principal in any transaction;

(3) receive funds while acting as principal which funds would constitute trust funds if received by a licensee acting as an agent, unless the funds are placed in a trust account. Funds need not be placed in a trust account if a written agreement signed by all parties to the transaction specifies a different disposition of the funds, in accordance with section 82.82, subdivision 1;

(4) violate any state or federal law concerning discrimination intended to protect the rights of purchasers or renters of real estate;

(5) make a material misstatement in an application for a license or in any information furnished to the commissioner;

(6) procure or attempt to procure a real estate license for ~~himself or herself~~ the procuring individual or any person by fraud, misrepresentation, or deceit;

(7) represent membership in any real estate-related organization in which the licensee is not a member;

(8) advertise in any manner that is misleading or inaccurate with respect to properties, terms, values, policies, or services conducted by the licensee;

(9) make any material misrepresentation or permit or allow another to make any material misrepresentation;

(10) make any false or misleading statements, or permit or allow another to make any false or misleading statements, of a character likely to influence, persuade, or induce the consummation of a transaction contemplated by this chapter;

(11) fail within a reasonable time to account for or remit any money coming into the licensee's possession which belongs to another;

(12) commingle with ~~his or her~~ the individual's own money or property trust funds or any other money or property of another held by the licensee;

(13) a demand from a seller for a commission ~~to~~ or compensation to which the licensee is not entitled, knowing that ~~he or she~~ the individual is not entitled to the commission or compensation;

(14) pay or give money or goods of value to an unlicensed person for any assistance or information relating to the procurement by a licensee of a listing of a property or of a prospective buyer of a property (this item does not apply to money or goods paid or given to the parties to the transaction);

(15) fail to maintain a trust account at all times, as provided by law;

(16) engage, with respect to the offer, sale, or rental of real estate, in an anticompetitive activity;

(17) represent on advertisements, cards, signs, circulars, letterheads, or in any other manner, that ~~he or she~~ the individual is engaged in the business of financial planning unless ~~he or she~~ the individual provides a disclosure document to the client. The document must be signed by the client and a copy must be left with the client. The disclosure document must contain the following:

(i) the basis of fees, commissions, or other compensation received by ~~him or her~~ an individual in connection with rendering of financial planning services or financial counseling or advice in the following language:

"My compensation may be based on the following:

(a) ... commissions generated from the products I sell you;

(b) ... fees; or

(c) ... a combination of (a) and (b). [Comments]";

(ii) the name and address of any company or firm that supplies the financial services or products offered or sold by ~~him or her~~ an individual in the following language:

"I am authorized to offer or sell products and/or services issued by or through the following firm(s):

[List]

The products will be traded, distributed, or placed through the clearing/trading firm(s) of:

[List]";

(iii) the license(s) held by the person under this chapter or chapter 60A or 80A in the following language:

"I am licensed in Minnesota as a(n):

(a) ... insurance agent;

(b) ... securities agent or broker/dealer;

(c) ... real estate broker or salesperson;

(d) ... investment adviser"; and

(iv) the specific identity of any financial products or services, by category, for example mutual funds, stocks, or limited partnerships, the person is authorized to offer or sell in the following language:

"The license(s) entitles me to offer and sell the following products and/or services:

(a) ... securities, specifically the following: [List];

(b) ... real property;

(c) ... insurance; and

(d) ... other: [List]."

(b) **Determining violation.** A licensee shall be deemed to have violated this section if the licensee has been found to have violated sections 325D.49 to 325D.66, by a final decision or order of a court of competent jurisdiction.

(c) **Commissioner's authority.** Nothing in this section limits the authority of the commissioner to take actions against a licensee for fraudulent, deceptive, or dishonest practices not specifically described in this section.

Sec. 14. Minnesota Statutes 2020, section 82B.021, is amended by adding a subdivision to read:

Subd. 14a. **Evaluation.** "Evaluation" means an estimate of the value of real property, made in accordance with the Interagency Appraisal and Evaluation Guidelines provided to an entity regulated by a federal financial institution's regulatory agency, for use in a real estate-related financial transaction for which an appraisal is not required by federal law.

Sec. 15. Minnesota Statutes 2020, section 82B.021, is amended by adding a subdivision to read:

Subd. 16a. **Interagency Appraisal and Evaluation Guidelines.** "Interagency Appraisal and Evaluation Guidelines" means the appraisal and evaluation guidelines provided by a federal financial institution's regulatory agency, as provided by Federal Register, volume 75, page 77450 (2010), as amended.

Sec. 16. Minnesota Statutes 2020, section 82B.021, subdivision 18, is amended to read:

Subd. 18. **Licensed real property appraiser.** "Licensed real property appraiser" means an individual licensed under this chapter to perform appraisals on noncomplex one-family to four-family residential units or agricultural property having a transactional value of less than $1,000,000 and complex one-family to four-family residential units or agricultural property having a transactional value of less than ~~$250,000~~ $400,000.

Sec. 17. Minnesota Statutes 2020, section 82B.03, is amended by adding a subdivision to read:

Subd. 3. **Evaluation.** A licensed real estate appraiser may provide an evaluation. When providing an evaluation, a licensed real estate appraiser is not engaged in real estate appraisal activity and is not subject to this chapter. An evaluation by a licensed real estate appraiser under this subdivision must contain a disclosure that the evaluation is not an appraisal.

Sec. 18. Minnesota Statutes 2020, section 82B.11, subdivision 3, is amended to read:

Subd. 3. **Licensed residential real property appraiser.** A licensed residential real property appraiser may appraise noncomplex residential property or agricultural property having a transaction value less than $1,000,000 and complex residential or agricultural property having a transaction value less than ~~$250,000~~ $400,000.

Sec. 19. Minnesota Statutes 2020, section 82B.195, is amended by adding a subdivision to read:

Subd. 5. **Evaluation.** When providing an evaluation, a licensed real estate appraiser is not required to comply with the Uniform Standards of Professional Appraisal Practice.

Sec. 20. **[82B.25] VALUATION BIAS.**

Subdivision 1. **Definition.** For the purposes of this section, "valuation bias" means to explicitly, implicitly, or structurally select data and apply that data to an appraisal methodology or technique in a biased manner that harms a protected class, as defined by the Fair Housing Act of 1968, as amended.

Subd. 2. **Education.** Within two years of receiving a license under this chapter, and as required by the Appraiser Qualifications Board, a real property appraiser shall provide to the commissioner evidence of satisfactory completion of a continuing education course on the valuation bias of real property.

EFFECTIVE DATE. This section is effective September 1, 2021. A real property appraiser who has received their license prior to the effective date of this section must complete the course required by this section by August 31, 2023.

Sec. 21. Minnesota Statutes 2020, section 115C.094, is amended to read:

115C.094 ABANDONED UNDERGROUND STORAGE TANKS.

(a) As used in this section, an abandoned underground petroleum storage tank means an underground petroleum storage tank that was:

(1) taken out of service prior to December 22, 1988; ~~or~~

(2) taken out of service on or after December 22, 1988, if the current property owner did not know of the existence of the underground petroleum storage tank and could not have reasonably been expected to have known of the tank's existence at the time the owner first acquired right, title, or interest in the tank~~.~~; or

(3) taken out of service and is located on property that is being held by the state in trust for local taxing districts under section 281.25.

(b) The board may contract for:

(1) a statewide assessment in order to determine the quantity, location, cost, and feasibility of removing abandoned underground petroleum storage tanks;

(2) the removal of an abandoned underground petroleum storage tank; and

(3) the removal and disposal of petroleum-contaminated soil if the removal is required by the commissioner at the time of tank removal.

(c) Before the board may contract for removal of an abandoned petroleum storage tank, the tank owner must provide the board with written access to the property and release the board from any potential liability for the work performed.

(d) If at the time of the forfeiture of property identified under paragraph (a), clause (3), the property owner or the owner's heirs, devisees, or representatives, or any person to whom the right to pay taxes was granted by statute, mortgage, or other agreement, repurchases the property under section 282.241, the board's contracted costs for the underground storage tank removal project must be included as a special assessment included in the repurchase price, as provided under section 282.251, and must be returned to the board upon the sale of the property.

~~(d)~~ (e) Money in the fund is appropriated to the board for the purposes of this section.

Sec. 22. Minnesota Statutes 2020, section 308A.201, subdivision 12, is amended to read:

Subd. 12. **Electric cooperative powers.** (a) An electric cooperative has the power and authority to:

(1) make loans to its members;

(2) prerefund debt;

(3) obtain funds through negotiated financing or public sale;

(4) borrow money and issue its bonds, debentures, notes, or other evidence of indebtedness;

(5) mortgage, pledge, or otherwise hypothecate its assets as may be necessary;

(6) invest its resources;

(7) deposit money in state and national banks and trust companies authorized to receive deposits; and

(8) exercise all other powers and authorities granted to cooperatives.

(b) A cooperative organized to provide rural electric power may enter agreements and contracts with other electric power cooperatives or with a cooperative constituted of electric power cooperatives to share losses and risk of losses to their transmission and distribution lines, transformers, substations, and related appurtenances from storm, sleet, hail, tornado, cyclone, hurricane, or windstorm. An agreement or contract or a cooperative formed to share losses under this paragraph is not subject to the laws of this state relating to insurance and insurance companies.

(c) An electric cooperative, an affiliate of the cooperative formed to provide broadband, or another entity pursuant to an agreement with the cooperative or the cooperative's affiliate may use the cooperative, affiliate, or entity's existing or subsequently acquired electric transmission or distribution easements for broadband infrastructure and to provide broadband service, which may include an agreement to lease fiber capacity. To exercise rights granted under this paragraph, the cooperative must provide to the property owner on which the easement is located two written notices, at least two months apart, that the cooperative intends to use the easement for broadband purposes. The use of the easement for broadband services vests and runs with the land beginning six months after the first notice is provided under paragraph (d) unless a court action challenging the use of the easement for broadband purposes has been filed before that time by the property owner as provided under paragraph (e). The cooperative must also file evidence of the notices for recording with the county recorder.

(d) The cooperative's notices under paragraph (c) must be sent by first class mail to the last known address of the owner of the property on which the easement is located or by printed insertion in the property owner's utility bill. The notice must include the following:

(1) the name and mailing address of the cooperative;

(2) a narrative describing the nature and purpose of the intended easement use;

(3) a description of any trenching or other underground work expected to result from the intended use, including the anticipated time frame for the work;

(4) a phone number of a cooperative employee to contact regarding the easement; and

(5) the following statement, in bold red lettering: "It is important to make any challenge by the deadline to preserve any legal rights you may have."

(e) A property owner, within six months after receiving notice under paragraph (d), may commence an action seeking to recover damages for an electric cooperative's use of an electric transmission or distribution easement for broadband service purposes. If the claim for damages is under $15,000, the claim may be brought in conciliation court. Notwithstanding any other law to the contrary, the procedures and substantive matters set forth in this subdivision govern an action under this paragraph and are the exclusive means to bring a claim for compensation with respect to a notice of intent to use a cooperative transmission or distribution easement for broadband purposes. To commence an action under this paragraph, the property owner must serve a complaint upon the electric cooperative as in a civil action and file the complaint with the district court for the county in which the easement is located. The complaint must state whether the property owner (1) is challenging the electric cooperative's right to use the easement for broadband services or infrastructure as authorized under paragraph (c), (2) is seeking damages as provided under paragraph (f), or (3) both.

(f) If the property owner is seeking damages, the electric cooperative may, at any time after answering the complaint, (1) deposit with the court administrator an amount equal to the cooperative's estimate of damages, up to $5,000, and (2) after making the deposit, use the electric transmission or service line easements for broadband purposes, conditioned on an obligation to pay the amount of damages determined by the court. If the property owner is challenging the electric cooperative's right to use the easement for broadband services or infrastructure as authorized under paragraph (c), after the electric cooperative answers the complaint the district court must promptly hold a hearing on the property owner's challenge. If the district court denies the property owner's challenge, the electric cooperative may proceed to make a deposit and make use of the easement for broadband service purposes, as provided under clause (2).

(g) In an action involving a property owner's claim for damages, the landowner has the burden to prove the existence and amount of any net reduction in the fair market value of the property, considering the existence, installation, construction, maintenance, modification, operation, repair, replacement, or removal of broadband infrastructure in the easement, as well as any benefit to the property from access to broadband service. Consequential or special damages must not be awarded. Evidence of revenue, profits, fees, income, or similar benefits to the electric cooperative, the cooperative's affiliate, or a third party is inadmissible. Any fees or costs incurred as a result of an action under this subdivision must be paid by the party that incurred the fees or costs.

(h) Nothing in this section limits in any way an electric cooperative's existing easement rights, including but not limited to rights an electric cooperative has or may acquire to transmit communications for electric system operations or otherwise.

(i) Placement of broadband infrastructure for use in providing broadband service under paragraphs (c) to (h) in any portion of an electric transmission or distribution easement located in the public right-of-way is subject to local government permitting and right-of-way management authority under section 237.163, and the placement must be coordinated with the relevant local government unit to minimize potential future relocations. The cooperative must notify a local government unit prior to placing infrastructure for broadband service in an easement that is in or adjacent to the local government unit's public right-of-way.

(j) For purposes of this subdivision:

(1) "broadband infrastructure" has the meaning given in section 116J.394; and

(2) "broadband service" means broadband infrastructure and any services provided over the infrastructure that offer advanced telecommunications capability and Internet access.

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

Sec. 23. **[332.61] INFORMATIVE DISCLOSURE.**

A lead generator must prominently make the following disclosure on all print, electronic, and nonprint solicitations, including advertising on websites, radio, or television: "This company does not actually provide any of the credit services you are seeking. We ONLY refer you to companies that want to provide some or all of those services."

Sec. 24. Minnesota Statutes 2020, section 349.11, is amended to read:

349.11 PURPOSE.

The purpose of sections 349.11 to 349.22 is to regulate lawful gambling, to insure integrity of operations, ~~and~~ to provide for the use of net profits only for lawful purposes, and to authorize only those games or game features discussed in this chapter.

EFFECTIVE DATE. This section is effective September 6, 2022.

Sec. 25. Minnesota Statutes 2020, section 349.12, subdivision 12a, is amended to read:

Subd. 12a. **Electronic bingo device.** "Electronic bingo device" means a handheld and portable electronic device that:

(1) is used by a bingo player to:

(i) monitor bingo paper sheets or a facsimile of a bingo paper sheet purchased and played at the time and place of an organization's bingo occasion, or to play an electronic bingo game that is linked with other permitted premises;

(ii) activate numbers announced or displayed, and to compare the numbers to the bingo faces previously stored in the memory of the device;

(iii) identify a winning bingo pattern or game requirement; and

(iv) play against other bingo players;

(2) limits the play of bingo faces to 36 faces per game;

(3) requires coded entry to activate play but does not allow the use of a coin, currency, or tokens to be inserted to activate play;

(4) may only be used for play against other bingo players in a bingo game;

(5) may only display the results of the electronic bingo game in a manner typically associated with bingo played in a paper format, may only display the grid of numbers and letters typically associated with paper bingo, and may not display or simulate any other form of gambling, entertainment, slot machines, electronic video lotteries, or video games of chance;

(6) has no spinning reels or other representations that mimic a slot machine, including but not limited to nonstraight win line graphics, nonstraight pay line graphics, open all features, single button press reveals, hold and spin features, delayed reveals, cascading or tumbling reveals, bonus games, bonus wheels, free play, free spins, or screens or game features that are triggered after the initial symbols are revealed that display the results of the game;

~~(5)~~ (7) has no additional function as an amusement or gambling device other than as an electronic pull-tab game defined under section 349.12, subdivision 12c;

~~(6)~~ (8) has the capability to ensure adequate levels of security internal controls;

~~(7)~~ (9) has the capability to permit the board to electronically monitor the operation of the device and the internal accounting systems; and

~~(8)~~ (10) has the capability to allow use by a player who is visually impaired.

EFFECTIVE DATE. This section is effective September 6, 2022.

Sec. 26. Minnesota Statutes 2020, section 349.12, subdivision 12b, is amended to read:

Subd. 12b. **Electronic pull-tab device.** "Electronic pull-tab device" means a handheld and portable electronic device that:

(1) is used to play one or more electronic pull-tab games;

(2) requires coded entry to activate play but does not allow the use of coin, currency, or tokens to be inserted to activate play;

(3) requires that a player must manually activate or open each electronic pull-tab ticket and also manually activate or open each ~~individual~~ line, row, or column of ~~each electronic pull-tab ticket~~ symbols on each electronic pull-tab ticket with a separate push of a button, and must display the underlying symbols in a given line, row, or column immediately after the player manually activates or opens the applicable line, row, or column of symbols;

(4) maintains information pertaining to accumulated win credits that may be applied to games in play or redeemed upon termination of play;

(5) may only display the results of the electronic pull-tab game in a manner typically associated with paper pull-tabs tickets, may only display symbols typically associated with paper pull-tab tickets, may not include continuation play, bonus games, or additional screens or game features that display the results of the game after the initial symbols are revealed, and may not display or simulate any other form of gambling, entertainment, slot machines, electronic video lotteries, or video games of chance;

~~(5)~~ (6) has no spinning reels or other representations that mimic a video slot machine, including but not limited to nonstraight win line graphics, nonstraight pay line graphics, open all features, single button press reveals, hold and spin features, delayed reveals, cascading or tumbling reveals, bonus games, bonus wheels, free play, free spins, progressive prizes or jackpots, or screens or game features that are triggered after the initial symbols are revealed that display the results of the game;

~~(6)~~ (7) has no additional function as a gambling device other than as an electronic-linked bingo game played on a device defined under section 349.12, subdivision 12a;

~~(7)~~ (8) may incorporate an amusement game feature as part of the pull-tab game but may not require additional consideration for that feature or award any prize, or other benefit for that feature;

~~(8)~~ (9) may have auditory or visual enhancements to promote or provide information about the game being played, provided the component does not affect the outcome of a game or display the results of a game;

~~(9)~~ (10) maintains, on nonresettable meters, a printable, permanent record of all transactions involving each device and electronic pull-tab games played on the device;

~~(10)~~ (11) is not a pull-tab dispensing device as defined under subdivision 32a; and

~~(11)~~ (12) has the capability to allow use by a player who is visually impaired.

EFFECTIVE DATE. This section is effective September 6, 2022.

Sec. 27. Minnesota Statutes 2020, section 349.12, subdivision 12c, is amended to read:

Subd. 12c. **Electronic pull-tab game.** "Electronic pull-tab game" means a pull-tab game containing:

(1) facsimiles of pull-tab tickets that are played on an electronic pull-tab device, provided that any game with multiple lines, rows, or columns of symbols requires a separate push of a button to reveal the symbols underneath the applicable line, row, or column and results are displayed pursuant to subdivision 12b;

(2) a predetermined, finite number of winning and losing tickets, not to exceed 7,500 tickets;

(3) the same price for each ticket in the game;

(4) a price paid by the player of not less than 25 cents per ticket;

(5) tickets that are in conformance with applicable board rules for pull-tabs;

(6) winning tickets that comply with prize limits under section 349.211;

(7) a unique serial number that may not be regenerated;

(8) an electronic flare that displays the game name; form number; predetermined, finite number of tickets in the game; and prize tier; and

(9) no spinning reels or other representations that mimic a video slot machine as provided in subdivision 12b, clause (6).

EFFECTIVE DATE. This section is effective September 6, 2022.

Sec. 28. Minnesota Statutes 2020, section 386.375, subdivision 3, is amended to read:

Subd. 3. **Consumer education information.** (a) A person other than the mortgagor or fee owner who transfers or offers to transfer an abstract of title shall present to the mortgagor or fee owner basic information in plain English about abstracts of title. This information must be sent in a form prepared and approved by the commissioner of commerce and must contain at least the following items:

(1) a definition and description of abstracts of title;

(2) an explanation that holders of abstracts of title must maintain it with reasonable care;

(3) an approximate cost or range of costs to replace a lost or damaged abstract of title; and

~~(4) an explanation that abstracts of title may be required to sell, finance, or refinance real estate; and~~

~~(5)~~ (4) an explanation of options for storage of abstracts.

(b) The commissioner shall prepare the form for use under this subdivision as soon as possible. This subdivision does not apply until 60 days after the form is approved by the commissioner.

(c) A person violating this subdivision is subject to a penalty of $200 for each violation.

Sec. 29. **APPRAISER INTERNET COURSE REQUIREMENTS.**

Notwithstanding Minnesota Statutes, sections 45.305, subdivision 1a, and 45.306, subdivision 1a, education providers may submit to the commissioner of commerce for approval a classroom course under Minnesota Statutes, section 45.25, subdivision 2a, clause (3), or a distance learning course, as defined in Minnesota Statutes, section 45.25, subdivision 5a, that has not been approved by the International Distance Education Certification Center.

EFFECTIVE DATE. This section is effective the day following final enactment and expires after the peacetime emergency declared by the governor in an executive order that relates to the infectious disease known as COVID-19 is terminated or rescinded or December 31, 2021, whichever is later.

Sec. 30. **MINNESOTA COUNCIL ON ECONOMIC EDUCATION.**

(a) The Minnesota Council on Economic Education, with funds made available through grants from the commissioner of education in fiscal years 2022 and 2023, must:

(1) provide professional development to Minnesota's kindergarten through grade 12 teachers implementing state graduation standards in learning areas related to economic education;

(2) support the direct-to-student ancillary economic and personal finance programs that Minnesota teachers supervise and coach; and

(3) provide support to geographically diverse affiliated higher education-based centers for economic education, including those based at Minnesota State University Mankato, Minnesota State University Moorhead, St. Cloud State University, St. Catherine University, and the University of St. Thomas, as the centers' work relates to activities in clauses (1) and (2).

(b) By February 15 of each year following the receipt of a grant, the Minnesota Council on Economic Education must report to the commissioner of education on the number and type of in-person and online teacher professional development opportunities provided by the Minnesota Council on Economic Education or affiliated state centers. The report must include a description of the content, length, and location of the programs; the number of preservice and licensed teachers receiving professional development through each of these opportunities; and a summary of evaluations of professional opportunities for teachers.

(c) On August 15, 2021, the Department of Education must pay the full amount of the grant for fiscal year 2022 to the Minnesota Council on Economic Education. On August 15, 2022, the Department of Education must pay the full amount of the grant for fiscal year 2023 to the Minnesota Council on Economic Education. The Minnesota Council on Economic Education must submit its fiscal reporting in the form and manner specified by the commissioner. The commissioner may request additional information as necessary.

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

Sec. 31. **CONSUMER DEBT COLLECTION LANGUAGE BARRIER WORKING GROUP.**

Subdivision 1. **Establishment.** The commissioner of commerce shall convene a working group to review language barriers and the effect on creditors, debt collectors, and limited English proficient communities.

Subd. 2. **Membership.** The working group consists of the following members:

(1) the commissioner of commerce or a designee;

(2) one member appointed by the Attorney General's Office;

(3) two members of the public representing creditors or debt collectors, appointed by the industry and subject to approval by the commissioner of commerce;

(4) two members of the public representing consumer rights, appointed by consumer rights advocate organizations and subject to approval by the commissioner of commerce;

(5) one member appointed by the Council for Minnesotans of African Heritage;

(6) one member appointed by the Minnesota Council on Latino Affairs;

(7) one member appointed by the Council on Asian-Pacific Minnesotans;

(8) two members appointed by the Indian Affairs Council; and

(9) one member appointed by Mid-Minnesota Legal Aid.

Subd. 3. **Report.** (a) By January 1, 2022, the commissioner of commerce shall report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over commerce with the working group's recommendations to address language barriers between creditors, debt collectors, and consumers.

(b) The working group shall examine:

(1) current practices for communicating with consumers in the consumer's preferred language when attempting to collect a debt or enforce a lien;

(2) the availability of translation services or a written glossary of financial terms for consumers whose primary language is not English; and

(3) state and federal laws involving issues under clauses (1) and (2).

Sec. 32. **COLLECTION AGENCY EMPLOYEES; WORK FROM HOME.**

An employee of a collection agency licensed under Minnesota Statutes, chapter 332, may work from a location other than the licensee's business location if the licensee and employee comply with all the requirements of Minnesota Statutes, section 332.33, that would apply if the employee were working at the business location. The fee for a collector registration or renewal under Minnesota Statutes, section 332.33, subdivision 3, entitles the individual collector to work at a licensee's business location or a location otherwise acceptable under this section. An additional branch license is not required for a location used under this section. This section expires May 31, 2022.

Sec. 33. **REPEALER.**

Minnesota Statutes 2020, sections 45.017; 45.306, subdivision 1; and 115C.13, are repealed.

ARTICLE 7
ENERGY CONSERVATION AND STORAGE

Section 1. Minnesota Statutes 2020, section 16B.86, is amended to read:

16B.86 ~~PRODUCTIVITY~~ STATE BUILDING ENERGY CONSERVATION IMPROVEMENT REVOLVING LOAN ACCOUNT.

Subdivision 1. **Definitions.** (a) For purposes of this section and section 16B.87, the following terms have the meanings given.

(b) "Energy conservation" has the meaning given in section 216B.241, subdivision 1, paragraph (d).

(c) "Energy conservation improvement" has the meaning given in section 216B.241, subdivision 1, paragraph (e).

(d) "Energy efficiency" has the meaning given in section 216B.241, subdivision 1, paragraph (f).

(e) "Project" means the energy conservation improvements financed by a loan made under this section.

(f) "State building" means an existing building owned by the state of Minnesota.

Subd. 2. **Account established.** The ~~productivity~~ state building energy conservation improvement revolving loan account is established as a ~~special~~ separate account in the state treasury. The commissioner shall manage the account and shall credit to the account investment income, repayments of principal and interest, and any other earnings arising from assets of the account. Money in the account is appropriated to the commissioner of administration to make loans to ~~finance agency projects that will result in either reduced operating costs or increased revenues, or both, for a state agency~~ state agencies to implement energy conservation and energy efficiency improvements in state buildings under section 16B.87.

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

Sec. 2. Minnesota Statutes 2020, section 16B.87, is amended to read:

16B.87 AWARD AND REPAYMENT OF ~~PRODUCTIVITY~~ STATE BUILDING ENERGY IMPROVEMENT CONSERVATION LOANS.

Subdivision 1. **Committee.** The ~~Productivity~~ State Building Energy Conservation Improvement Loan Committee consists of the commissioners of administration, management and budget, and ~~revenue~~ commerce. The commissioner of administration serves as chair of the committee. The members serve without compensation or reimbursement for expenses.

Subd. 2. **Award and terms of loans.** (a) An agency shall apply for a loan on a form ~~provided~~ developed by the commissioner of administration~~.~~ that requires an applicant to submit the following information:

(1) a description of the proposed project, including existing equipment, structural elements, operating characteristics, and other conditions affecting energy use that the energy conservation improvements financed by the loan modify or replace;

(2) the total estimated project cost and the loan amount sought;

(3) a detailed project budget;

(4) projections of the proposed project's expected energy and monetary savings;

(5) information demonstrating the agency's ability to repay the loan;

(6) a description of the energy conservation programs offered by the utility providing service to the state building from which the applicant seeks additional funding for the project; and

(7) any additional information requested by the commissioner.

(b) The committee shall review applications for loans and shall award a loan based upon criteria adopted by the committee. ~~The committee shall determine the amount, interest, and other terms of the loan. The time for repayment of a loan may not exceed five years.~~ A loan made under this section must:

(1) be at or below the market rate of interest, including a zero interest loan; and

(2) have a term no longer than seven years.

(c) In making awards, the committee shall give preference to:

(1) applicants that have sought funding for the project through energy conservation projects offered by the utility serving the state building that is the subject of the application; and

(2) to the extent feasible, applications for state buildings located within the electric retail service area of the utility that is subject to section 116C.779.

Subd. 3. **Repayment.** An agency receiving a loan under this section shall repay the loan according to the terms of the loan agreement. The principal and interest must be paid to the commissioner of administration, who shall deposit it in the ~~productivity~~ state building energy conservation improvement revolving loan ~~fund~~ account. Payments of loan principal and interest must begin no later than one year after the project is completed.

Sec. 3. **[216B.1698] INNOVATIVE CLEAN TECHNOLOGIES.**

(a) For purposes of this section, "innovative clean technology" means advanced energy technology that is:

(1) environmentally superior to technologies currently in use;

(2) expected to offer energy-related, environmental, or economic benefits; and

(3) not widely deployed by the utility industry.

(b) A public utility may petition the commission for authorization to invest in a project or projects to deploy one or more innovative clean technologies to further the development, commercialization, and deployment of innovative clean technologies that benefit the public utility's customers.

(c) The commission may approve a petition under paragraph (b) if it finds:

(1) the technologies proposed are innovative clean technologies;

(2) the investment in an innovative clean energy technology is likely to provide benefits to customers that exceed the technology's cost;

(3) the public utility is meeting its energy conservation goals under section 216B.241; and

(4) the project complies with the spending limits under paragraph (d).

(d) Over any three consecutive years, a public utility must not spend more on innovative clean technologies under this section than:

(1) for a public utility providing service to 200,000 or more retail Minnesota customers, $6,000,000; or

(2) for a public utility providing service to fewer than 200,000 retail Minnesota customers, $3,000,000.

(e) The commission may authorize a public utility to file a rate schedule containing provisions that automatically adjust charges for public utility service in direct relation to changes in prudent costs incurred by a public utility under this section, up to the amounts allowed under paragraph (d). To the extent the public utility investment under this section is for a capital asset, the utility may request that the asset be included in the utility's rate base.

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

Sec. 4. Minnesota Statutes 2020, section 216B.2401, is amended to read:

216B.2401 ENERGY SAVINGS AND OPTIMIZATION POLICY GOAL.

(a) The legislature finds that energy savings are an energy resource, and that cost-effective energy savings are preferred over all other energy resources. In addition, the legislature finds that optimizing the timing and method used by energy consumers to manage energy use provides significant benefits to the consumers and to the utility system as a whole. The legislature further finds that cost-effective energy savings and load management programs should be procured systematically and aggressively in order to reduce utility costs for businesses and residents, improve the competitiveness and profitability of businesses, create more energy-related jobs, reduce the economic burden of fuel imports, and reduce pollution and emissions that cause climate change. Therefore, it is the energy policy of the state of Minnesota to achieve annual energy savings ~~equal~~ equivalent to at least ~~1.5~~ 2.5 percent of annual retail energy sales of electricity and natural gas through ~~cost-effective energy conservation improvement programs and rate design, energy efficiency achieved by energy consumers without direct utility involvement, energy codes and appliance standards, programs designed to transform the market or change consumer behavior, energy savings resulting from efficiency improvements to the utility infrastructure and system, and other efforts to promote energy efficiency and energy conservation.~~ multiple measures, including but not limited to:

(1) cost-effective energy conservation improvement programs and efficient fuel-switching utility programs under sections 216B.2402 to 216B.241;

(2) rate design;

(3) energy efficiency achieved by energy consumers without direct utility involvement;

(4) advancements in statewide energy codes and cost-effective appliance and equipment standards;

(5) programs designed to transform the market or change consumer behavior;

(6) energy savings resulting from efficiency improvements to the utility infrastructure and system; and

(7) other efforts to promote energy efficiency and energy conservation.

(b) A utility is encouraged to design and offer to customers load management programs that enable: (1) customers to maximize the economic value gained from the energy purchased from the customer's utility service provider; and (2) utilities to optimize the infrastructure and generation capacity needed to effectively serve customers and facilitate the integration of renewable energy into the energy system.

(c) The commissioner must provide a reasonable estimate of progress made toward the statewide energy-savings goal under paragraph (a) in the annual report required under section 216B.241, subdivision 1c, and make recommendations for administrative or legislative initiatives to increase energy savings toward that goal. The commissioner must annually report on the energy productivity of the state's economy by estimating the ratio of economic output produced in the most recently completed calendar year to the primary energy inputs used in that year.

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

Sec. 5. **[216B.2402] DEFINITIONS.**

Subdivision 1. **Definitions.** For the purposes of section 216B.16, subdivision 6b, and sections 216B.2401 to 216B.241, the following terms have the meanings given them.

Subd. 2. **Consumer-owned utility.** "Consumer-owned utility" means a municipal gas utility, a municipal electric utility, or a cooperative electric association.

Subd. 3. **Cumulative lifetime savings.** "Cumulative lifetime savings" means the total electric energy or natural gas savings in a given year from energy conservation improvements installed in that given year and energy conservation improvements installed in previous years that are still in operation.

Subd. 4. **Efficient fuel-switching improvement.** "Efficient fuel-switching improvement" means a project that:

(1) replaces a fuel used by a customer with electricity or natural gas delivered at retail by a utility subject to section 216B.2403 or 216B.241;

(2) results in a net increase in the use of electricity or natural gas and a net decrease in source energy consumption on a fuel-neutral basis;

(3) otherwise meets the criteria established for consumer-owned utilities in section 216B.2403, subdivision 8, and for public utilities under section 216B.241, subdivisions 11 and 12; and

(4) requires the installation of equipment that utilizes electricity or natural gas, resulting in a reduction or elimination of the previous fuel used.

An efficient fuel-switching improvement is not an energy conservation improvement or energy efficiency even if it results in a net reduction in electricity or natural gas consumption.

Subd. 5. **Energy conservation.** "Energy conservation" means an action that results in a net reduction in electricity or natural gas consumption. Energy conservation does not include an efficient fuel-switching improvement.

Subd. 6. **Energy conservation improvement.** "Energy conservation improvement" means a project that results in energy efficiency or energy conservation. Energy conservation improvement may include waste heat that is recovered and converted into electricity or used as thermal energy, but does not include electric utility infrastructure projects approved by the commission under section 216B.1636.

Subd. 7. **Energy efficiency.** "Energy efficiency" means measures or programs, including energy conservation measures or programs, that: (1) target consumer behavior, equipment, processes, or devices; (2) are designed to reduce the consumption of electricity or natural gas on either an absolute or per unit of production basis; and (3) do not reduce the quality or level of service provided to an energy consumer.

Subd. 8. **Fuel.** "Fuel" means energy, including electricity, propane, natural gas, heating oil, gasoline, diesel fuel, or steam, consumed by a retail utility customer.

Subd. 9. **Fuel neutral.** "Fuel neutral" means an approach that compares the use of various fuels for a given end use, using a common metric.

Subd. 10. **Gross annual retail energy sales.** "Gross annual retail energy sales" means a utility's annual electric sales to all Minnesota retail customers, or natural gas throughput to all retail customers, including natural gas transportation customers, on a utility's distribution system in Minnesota. Gross annual retail energy sales does not include:

(1) gas sales to:

(i) a large energy facility;

(ii) a large customer facility whose natural gas utility has been exempted by the commissioner under section 216B.241, subdivision 1a, paragraph (a), with respect to natural gas sales made to the large customer facility; or

(iii) a commercial gas customer facility whose natural gas utility has been exempted by the commissioner under section 216B.241, subdivision 1a, paragraph (b), with respect to natural gas sales made to the commercial gas customer facility;

(2) electric sales to a large customer facility whose electric utility has been exempted by the commissioner under section 216B.241, subdivision 1a, paragraph (a), with respect to electric sales made to the large customer facility; or

(3) the amount of electric sales prior to December 31, 2032, that are associated with a utility's program, rate, or tariff for electric vehicle charging based on a methodology and assumptions developed by the department in consultation with interested stakeholders no later than December 31, 2021. After December 31, 2032, incremental sales to electric vehicles must be included in calculating a utility's gross annual retail sales.

Subd. 11. **Investments and expenses of a public utility.** "Investments and expenses of a public utility" means the investments and expenses incurred by a public utility in connection with an energy conservation improvement.

Subd. 12. **Large customer facility.** "Large customer facility" means all buildings, structures, equipment, and installations at a single site that in aggregate: (1) impose a peak electrical demand on an electric utility's system of at least 20,000 kilowatts, measured in the same manner as the utility that serves the customer facility measures electric demand for billing purposes; or (2) consume at least 500,000,000 cubic feet of natural gas annually. When

calculating peak electrical demand, a large customer facility may include demand offset by on-site cogeneration facilities and, if engaged in mineral extraction, may include peak energy demand from the large customer facility's mining processing operations.

Subd. 13. **Large energy facility.** "Large energy facility" has the meaning given in section 216B.2421, subdivision 2, clause (1).

Subd. 14. **Lifetime energy savings.** "Lifetime energy savings" means the amount of savings a particular energy conservation improvement is projected to produce over the improvement's effective useful lifetime.

Subd. 15. **Load management.** "Load management" means an activity, service, or technology that changes the timing or the efficiency of a customer's use of energy that allows a utility or a customer to: (1) respond to local and regional energy system conditions; or (2) reduce peak demand for electricity or natural gas. Load management that reduces a customer's net annual energy consumption is also energy conservation.

Subd. 16. **Low-income household.** "Low-income household" means a household whose household income is 60 percent or less of the state median household income.

Subd. 17. **Low-income programs.** "Low-income programs" means energy conservation improvement programs that directly serve the needs of low-income households, including low-income renters.

Subd. 18. **Member.** "Member" has the meaning given in section 308B.005, subdivision 15.

Subd. 19. **Multifamily building.** "Multifamily building" means a residential building containing five or more dwelling units.

Subd. 20. **Preweatherization measure.** "Preweatherization measure" means an improvement that is necessary to allow energy conservation improvements to be installed in a home.

Subd. 21. **Qualifying utility.** "Qualifying utility" means a utility that supplies a customer with energy that enables the customer to qualify as a large customer facility.

Subd. 22. **Waste heat recovered and used as thermal energy.** "Waste heat recovered and used as thermal energy" means the capture of heat energy that would otherwise be exhausted or dissipated to the environment from machinery, buildings, or industrial processes, and productively using the recovered thermal energy where it was captured or distributing it as thermal energy to other locations where it is used to reduce demand-side consumption of natural gas, electric energy, or both.

Subd. 23. **Waste heat recovery converted into electricity.** "Waste heat recovery converted into electricity" means an energy recovery process that converts to electricity energy from the heat of exhaust stacks or pipes used for engines or manufacturing or industrial processes, or from the reduction of high pressure in water or gas pipelines, that would otherwise be lost.

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

Sec. 6. **[216B.2403] CONSUMER-OWNED UTILITIES; ENERGY CONSERVATION AND OPTIMIZATION.**

Subdivision 1. **Applicability.** This section applies to:

(1) a cooperative electric association that provides retail service to more than 5,000 members;

(2) a municipality that provides electric service to more than 1,000 retail customers; and

(3) a municipality with more than 1,000,000,000 cubic feet in annual throughput sales to natural gas retail customers.

Subd. 2. **Consumer-owned utility; energy-savings goal.** (a) Each individual consumer-owned utility subject to this section has an annual energy-savings goal equivalent to 1.5 percent of gross annual retail energy sales, which must be met with a minimum of energy savings from energy conservation improvements equivalent to at least one percent of the consumer-owned utility's gross annual retail energy sales. The balance of energy savings toward the annual energy-savings goal may be achieved only by the following consumer-owned utility activities:

(1) energy savings from additional energy conservation improvements;

(2) electric utility infrastructure projects, as defined in section 216B.1636, subdivision 1, that result in increased efficiency greater than would have occurred through normal maintenance activity;

(3) net energy savings from efficient fuel-switching improvements that meet the criteria under subdivision 8; or

(4) subject to department approval, demand-side natural gas or electric energy displaced by use of waste heat recovered and used as thermal energy, including the recovered thermal energy from a cogeneration or combined heat and power facility.

(b) The energy-savings goals specified in this section must be calculated based on weather-normalized sales averaged over the most recent three years. A consumer-owned utility may elect to carry forward energy savings in excess of 1.5 percent for a year to the next three years, except that energy savings from electric utility infrastructure projects may be carried forward for five years. A particular energy savings can only be used to meet one year's goal.

(c) A consumer-owned utility subject to this section is not required to make energy conservation improvements that are not cost-effective, even if the improvement is necessary to attain the energy-savings goal. A consumer-owned utility subject to this section must make reasonable efforts to implement energy conservation improvements that exceed the minimum level established under this subdivision if cost-effective opportunities and funding are available, considering other potential investments the consumer-owned utility intends to make to benefit customers during the term of the plan filed under subdivision 3.

Subd. 3. **Consumer-owned utility; energy conservation and optimization plans.** (a) By June 1, 2022, and at least every three years thereafter, each consumer-owned utility must file with the commissioner an energy conservation and optimization plan that describes the programs for energy conservation, efficient fuel-switching, load management, and other measures the consumer-owned utility intends to offer to achieve the utility's energy savings goal.

(b) A plan's term may extend up to three years. A multiyear plan must identify the total energy savings and energy savings resulting from energy conservation improvements that are projected to be achieved in each year of the plan. A multiyear plan that does not, in each year of the plan, meet both the minimum energy savings goal from energy conservation improvements and the total energy savings goal of 1.5 percent, or lower goals adjusted by the commissioner under paragraph (k), must:

(1) state why each goal is projected to be unmet; and

(2) demonstrate how the consumer-owned utility proposes to meet both goals on an average basis over the duration of the plan.

(c) A plan filed under this subdivision must provide:

(1) for existing programs, an analysis of the cost-effectiveness of the consumer-owned utility's programs offered under the plan, using a list of baseline energy- and capacity-savings assumptions developed in consultation with the department; and

(2) for new programs, a preliminary analysis upon which the program will proceed, in parallel with further development of assumptions and standards.

(d) The commissioner must evaluate a plan filed under this subdivision based on the plan's likelihood to achieve the energy-savings goals established in subdivision 2. The commissioner may make recommendations to a consumer-owned utility regarding ways to increase the effectiveness of the consumer-owned utility's energy conservation activities and programs under this subdivision. The commissioner may recommend that a consumer-owned utility implement a cost-effective energy conservation program, including an energy conservation program suggested by an outside source, including but not limited to a political subdivision, nonprofit corporation, or community organization.

(e) Beginning June 1, 2023, and every June 1 thereafter, each consumer-owned utility must file: (1) an annual update identifying the status of the plan filed under this subdivision, including: (i) total expenditures and investments made to date under the plan; and (ii) any intended changes to the plan; and (2) a summary of the annual energy-savings achievements under a plan. An annual filing made in the last year of a plan must contain a new plan that complies with this section.

(f) When evaluating the cost-effectiveness of a consumer-owned utility's energy conservation programs, the consumer-owned utility and the commissioner must consider the costs and benefits to ratepayers, the utility, participants, and society. The commissioner must also consider the rate at which the consumer-owned utility is increasing energy savings and expenditures on energy conservation, and lifetime energy savings and cumulative energy savings.

(g) A consumer-owned utility may annually spend and invest up to ten percent of the total amount spent and invested on energy conservation improvements on research and development projects that meet the definition of energy conservation improvement.

(h) A generation and transmission cooperative electric association or municipal power agency that provides energy services to consumer-owned utilities may file a plan under this subdivision on behalf of the consumer-owned utilities to which the association or agency provides energy services and may make investments, offer conservation programs, and otherwise fulfill the energy-savings goals and reporting requirements under this subdivision for the consumer-owned utilities on an aggregate basis.

(i) A consumer-owned utility is prohibited from spending for or investing in energy conservation improvements that directly benefit a large energy facility or a large electric customer facility the commissioner has exempted under section 216B.241, subdivision 1a.

(j) The energy conservation and optimization plan of a consumer-owned utility may include activities to improve energy efficiency in the public schools served by the utility. These activities may include programs to:

(1) increase the efficiency of the school's lighting and heating and cooling systems;

(2) recommission buildings;

(3) train building operators; and

(4) provide opportunities to educate students, teachers, and staff regarding energy efficiency measures implemented at the school.

(k) A consumer-owned utility may request that the commissioner adjust the consumer-owned utility's minimum goal for energy savings from energy conservation improvements under subdivision 2, paragraph (a), for the duration of the plan filed under this subdivision. The request must be made by January 1 of the year the consumer-owned utility is required to file a plan under this subdivision. The request must be based on:

(1) historical energy conservation improvement program achievements;

(2) customer class makeup;

(3) projected load growth;

(4) an energy conservation potential study that estimates the amount of cost-effective energy conservation potential that exists in the consumer-owned utility's service territory;

(5) the cost-effectiveness and quality of the energy conservation programs offered by the consumer-owned utility; and

(6) other factors the commissioner and consumer-owned utility determine warrant an adjustment.

The commissioner must adjust the energy savings goal to a level the commissioner determines is supported by the record, but must not approve a minimum energy savings goal from energy conservation improvements that is less than an average of one percent per year over the consecutive years of the plan's duration, including the year the minimum energy savings goal is adjusted.

Subd. 4. **Consumer-owned utility; energy savings investment.** (a) Except as otherwise provided, a consumer-owned utility that the commissioner determines falls short of the minimum energy savings goal from energy conservation improvements established in subdivision 2, paragraph (a), for three consecutive years during which the utility has annually spent on energy conservation improvements less than 1.5 percent of gross operating revenues for an electric utility, or less than 0.5 percent of gross operating revenues for a natural gas utility, must spend no less than the following amounts for energy conservation improvements:

(1) for a municipality, 0.5 percent of gross operating revenues from the sale of gas and 1.5 percent of gross operating revenues from the sale of electricity, excluding gross operating revenues from electric and gas service provided in Minnesota to large electric customer facilities; and

(2) for a cooperative electric association, 1.5 percent of gross operating revenues from service provided in Minnesota, excluding gross operating revenues from service provided in Minnesota to large electric customers facilities indirectly through a distribution cooperative electric association.

(b) The commissioner must not impose the spending requirement under this subdivision if the commissioner has determined that the utility has followed the commissioner's recommendations, if any, provided under subdivision 3, paragraph (d).

(c) Upon request of a consumer-owned utility, the commissioner may reduce the amount or duration of the spending requirement imposed under this subdivision, or both, if the commissioner determines that the consumer-owned utility's failure to maintain the minimum energy savings goal is the result of:

(1) a natural disaster or other emergency that is declared by the executive branch through an emergency executive order that affects the consumer-owned utility's service area;

(2) a unique load distribution experienced by the consumer-owned utility; or

(3) other factors that the commissioner determines justifies a reduction.

(d) Unless the commissioner reduces the duration of the spending requirement under paragraph (c), the spending requirement under this subdivision remains in effect until the consumer-owned utility has met the minimum energy savings goal for three consecutive years.

Subd. 5. **Energy conservation programs for low-income households.** (a) A consumer-owned utility subject to this section must provide energy conservation programs to low-income households. The commissioner must evaluate a consumer-owned utility's plans under this section by considering the consumer-owned utility's historic spending on energy conservation programs directed to low-income households, the rate of customer participation in and the energy savings resulting from those programs, and the number of low-income persons residing in the consumer-owned utility's service territory. A municipal utility that furnishes natural gas service must spend at least 0.2 percent of the municipal utility's most recent three-year average gross operating revenue from residential customers in Minnesota on energy conservation programs for low-income households. A consumer-owned utility that furnishes electric service must spend at least 0.2 percent of the consumer-owned utility's gross operating revenue from residential customers in Minnesota on energy conservation programs for low-income households. The requirement under this paragraph applies to each generation and transmission cooperative association's aggregate gross operating revenue from the sale of electricity to residential customers in Minnesota by all of the association's member distribution cooperatives.

(b) To meet all or part of the spending requirements of paragraph (a), a consumer-owned utility may contribute money to the energy and conservation account established in section 216B.241, subdivision 2a. An energy conservation optimization plan must state the amount of contributions the consumer-owned utility plans to make to the energy and conservation account. Contributions to the account must be used for energy conservation programs serving low-income households, including renters, located in the service area of the consumer-owned utility making the contribution. Contributions must be remitted to the commissioner by February 1 each year.

(c) The commissioner must establish energy conservation programs for low-income households funded through contributions made to the energy and conservation account under paragraph (b). When establishing energy conservation programs for low-income households, the commissioner must consult political subdivisions, utilities, and nonprofit and community organizations, including organizations providing energy and weatherization assistance to low-income households. The commissioner must record and report expenditures and energy savings achieved as a result of energy conservation programs for low-income households funded through the energy and conservation account in the report required under section 216B.241, subdivision 1c, paragraph (f). The commissioner may contract with a political subdivision, nonprofit or community organization, public utility, municipality, or consumer-owned utility to implement low-income programs funded through the energy and conservation account.

(d) A consumer-owned utility may petition the commissioner to modify the required spending under this subdivision if the consumer-owned utility and the commissioner were unable to expend the amount required for three consecutive years.

(e) The commissioner must develop and establish guidelines for determining the eligibility of multifamily buildings to participate in energy conservation programs provided to low-income households. Notwithstanding the definition of low-income household in section 216B.2402, a consumer-owned utility or association may apply the most recent guidelines published by the department for purposes of determining the eligibility of multifamily buildings to participate in low-income programs. The commissioner must convene a stakeholder group to review and update these guidelines by July 1, 2022, and at least once every five years thereafter. The stakeholder group must include but is not limited to representatives of public utilities; municipal electric or gas utilities; electric cooperative associations; multifamily housing owners and developers; and low-income advocates.

(f) Up to 15 percent of a consumer-owned utility's spending on low-income energy conservation programs may be spent on preweatherization measures. A consumer-owned utility is prohibited from claiming energy savings from preweatherization measures toward the consumer-owned utility's energy savings goal.

(g) The commissioner must, by order, establish a list of preweatherization measures eligible for inclusion in low-income energy conservation programs no later than March 15, 2022.

(h) A consumer-owned utility may elect to contribute money to the Healthy AIR account under section 216B.241, subdivision 7, paragraph (h), to provide preweatherization measures for households eligible for weatherization assistance from the state weatherization assistance program in section 216C.264. Remediation activities must be executed in conjunction with federal weatherization assistance program services.

Subd. 6. **Recovery of expenses.** The commission must allow a cooperative electric association subject to rate regulation under section 216B.026 to recover expenses resulting from: (1) a plan under this section; and (2) assessments and contributions to the energy and conservation account under section 216B.241, subdivision 2a.

Subd. 7. **Ownership of preweatherization measure or energy conservation improvement.** (a) A preweatherization measure or energy conservation improvement installed in a building under this section, excluding a system owned by a consumer-owned utility that is designed to turn off, limit, or vary the delivery of energy, is the exclusive property of the building owner, except to the extent that the improvement is subject to a security interest in favor of the consumer-owned utility in case of a loan to the building owner for the improvement.

(b) A consumer-owned utility has no liability for loss, damage, or injury directly or indirectly caused by a preweatherization measure or energy conservation improvement, unless a consumer-owned utility is determined to have been negligent in purchasing, installing, or modifying a preweatherization measure or energy conservation improvement.

Subd. 8. **Criteria for efficient fuel-switching improvements.** (a) A fuel-switching improvement is deemed efficient if, applying the technical criteria established under section 216B.241, subdivision 1d, paragraph (b), the improvement, relative to the fuel being displaced:

(1) results in a net reduction in the amount of source energy consumed for a particular use, measured on a fuel-neutral basis;

(2) results in a net reduction of statewide greenhouse gas emissions, as defined in section 216H.01, subdivision 2, over the lifetime of the improvement. For an efficient fuel-switching improvement installed by an electric consumer-owned utility, the reduction in emissions must be measured based on the hourly emissions profile of the consumer-owned utility or the utility's electricity supplier, as reported in the most recent resource plan approved by the commission under section 216B.2422. If the hourly emissions profile is not available, the commissioner must develop a method consumer-owned utilities must use to estimate that value;

(3) is cost-effective, considering the costs and benefits from the perspective of the consumer-owned utility, participants, and society; and

(4) is installed and operated in a manner that improves the consumer-owned utility's system load factor.

(b) For purposes of this subdivision, "source energy" means the total amount of primary energy required to deliver energy services, adjusted for losses in generation, transmission, and distribution, and expressed on a fuel-neutral basis.

Subd. 9. **Manner of filing and service.** (a) A consumer-owned utility must submit the filings required under this section to the department using the department's electronic filing system. The commissioner may approve an exemption from this requirement if a consumer-owned utility is unable to submit filings via the department's electronic filing system. All other interested parties must submit filings to the department via the department's electronic filing system whenever practicable but may also file by personal delivery or by mail.

(b) The submission of a document to the department's electronic filing system constitutes service on the department. If a department rule requires service of a notice, order, or other document by the department, a consumer-owned utility, or an interested party upon persons on a service list maintained by the department, service may be made by personal delivery, mail, or electronic service. Electronic service may be made only to persons on the service list that have previously agreed in writing to accept electronic service at an e-mail address provided to the department for electronic service purposes.

Subd. 10. **Assessment.** The commission or department may assess consumer-owned utilities subject to this section to carry out the purposes of section 216B.241, subdivisions 1d, 1e, and 1f. An assessment under this subdivision must be proportionate to a consumer-owned utility's gross operating revenue from sales of gas or electric service in Minnesota during the previous calendar year, as applicable. Assessments under this subdivision are not subject to the cap on assessments under section 216B.62 or any other law.

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

Sec. 7. Minnesota Statutes 2020, section 216B.241, subdivision 1a, is amended to read:

Subd. 1a. ~~**Investment, expenditure, and contribution; public utility**~~ **Large customer facility.** ~~(a) For purposes of this subdivision and subdivision 2, "public utility" has the meaning given it in section 216B.02, subdivision 4. Each public utility shall spend and invest for energy conservation improvements under this subdivision and subdivision 2 the following amounts:~~

~~(1) for a utility that furnishes gas service, 0.5 percent of its gross operating revenues from service provided in the state;~~

~~(2) for a utility that furnishes electric service, 1.5 percent of its gross operating revenues from service provided in the state; and~~

~~(3) for a utility that furnishes electric service and that operates a nuclear-powered electric generating plant within the state, two percent of its gross operating revenues from service provided in the state.~~

~~For purposes of this paragraph (a), "gross operating revenues" do not include revenues from large customer facilities exempted under paragraph (b), or from commercial gas customers that are exempted under paragraph (c) or (e).~~

~~(b)~~ (a) The owner of a large customer facility may petition the commissioner to exempt both electric and gas utilities serving the large customer facility from ~~the investment and expenditure requirements of paragraph (a)~~ contributing to investments and expenditures made under an energy and conservation optimization plan filed under subdivision 2 or section 216B.2403, subdivision 3, with respect to retail revenues attributable to the large customer facility. The filing must include a discussion of the competitive or economic pressures facing the owner of the facility and the efforts taken by the owner to identify, evaluate, and implement energy conservation and efficiency improvements. A filing submitted on or before October 1 of any year must be approved within 90 days and become effective January 1 of the year following the filing, unless the commissioner finds that the owner of the large customer facility has failed to take reasonable measures to identify, evaluate, and implement energy conservation and efficiency improvements. If a facility qualifies as a large customer facility solely due to its peak electrical demand or annual natural gas usage, the exemption may be limited to the qualifying utility if the commissioner finds that the owner of the large customer facility has failed to take reasonable measures to identify, evaluate, and implement energy conservation and efficiency improvements with respect to the nonqualifying utility. Once an exemption is approved, the commissioner may request the owner of a large customer facility to submit, not more often than once every five years, a report demonstrating the large customer facility's ongoing commitment to energy conservation and efficiency improvement after the exemption filing. The commissioner may request such reports for up to ten years after the effective date of the exemption, unless the majority ownership of the large customer

facility changes, in which case the commissioner may request additional reports for up to ten years after the change in ownership occurs. The commissioner may, within 180 days of receiving a report submitted under this paragraph, rescind any exemption granted under this paragraph upon a determination that the large customer facility is not continuing to make reasonable efforts to identify, evaluate, and implement energy conservation improvements. A large customer facility that is, under an order from the commissioner, exempt from the investment and expenditure requirements of paragraph (a) as of December 31, 2010, is not required to submit a report to retain its exempt status, except as otherwise provided in this paragraph with respect to ownership changes. No exempt large customer facility may participate in a utility conservation improvement program unless the owner of the facility submits a filing with the commissioner to withdraw its exemption.

~~(c)~~ (b) A commercial gas customer that is not a large customer facility and that purchases or acquires natural gas from a public utility having fewer than 600,000 natural gas customers in Minnesota may petition the commissioner to exempt gas utilities serving the commercial gas customer from ~~the investment and expenditure requirements of paragraph (a)~~ contributing to investments and expenditures made under an energy and conservation optimization plan filed under subdivision 2 or section 216B.2403, subdivision 3, with respect to retail revenues attributable to the commercial gas customer. The petition must be supported by evidence demonstrating that the commercial gas customer has acquired or can reasonably acquire the capability to bypass use of the utility's gas distribution system by obtaining natural gas directly from a supplier not regulated by the commission. The commissioner shall grant the exemption if the commissioner finds that the petitioner has made the demonstration required by this paragraph.

~~(d) The commissioner may require investments or spending greater than the amounts required under this subdivision for a public utility whose most recent advance forecast required under section 216B.2422 or 216C.17 projects a peak demand deficit of 100 megawatts or greater within five years under midrange forecast assumptions.~~

~~(e)~~ (c) A public utility, consumer-owned utility, or owner of a large customer facility may appeal a decision of the commissioner under paragraph (a) or (b)~~, (c), or (d)~~ to the commission under subdivision 2. In reviewing a decision of the commissioner under paragraph (a) or (b), ~~(c), or (d),~~ the commission shall rescind the decision if it finds ~~that the required investments or spending will:~~

~~(1) not result in cost-effective energy conservation improvements; or~~

~~(2) otherwise~~ the decision is not ~~be~~ in the public interest.

(d) A public utility is prohibited from spending for or investing in energy conservation improvements that directly benefit a large energy facility or a large electric customer facility to which the commissioner has issued an exemption under this section.

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

Sec. 8. Minnesota Statutes 2020, section 216B.241, subdivision 1c, is amended to read:

Subd. 1c. **Public utility; energy-saving goals.** (a) The commissioner shall establish energy-saving goals for energy conservation ~~improvement expenditures~~ improvements and shall evaluate an energy conservation improvement program on how well it meets the goals set.

(b) ~~Each individual~~ A public utility ~~and association shall have~~ providing electric service has an annual energy-savings goal equivalent to ~~1.5~~ 1.75 percent of gross annual retail energy sales unless modified by the commissioner under paragraph ~~(d).~~ (c). A public utility providing natural gas service has an annual energy-savings goal equivalent to one percent of gross annual retail energy sales, which must not be lowered by the commissioner. The savings goals must be calculated based on the most recent three-year weather-normalized average. A public utility ~~or association~~ providing electric service may elect to carry forward energy savings in excess of ~~1.5~~

1.75 percent for a year to the succeeding three calendar years, except that savings from electric utility infrastructure projects allowed under paragraph (d) may be carried forward for five years. A public utility providing natural gas service may elect to carry forward energy savings in excess of one percent for a year to the succeeding three calendar years. A particular energy savings can only be used ~~only for~~ to meet one year's goal.

~~(c) The commissioner must adopt a filing schedule that is designed to have all utilities and associations operating under an energy-savings plan by calendar year 2010.~~

~~(d)~~ (c) In its energy conservation ~~improvement~~ and optimization plan filing, a public utility ~~or association~~ may request the commissioner to adjust its annual energy-savings percentage goal based on its historical conservation investment experience, customer class makeup, load growth, a conservation potential study, or other factors the commissioner determines warrants an adjustment.

(d) The commissioner may not approve a plan of a public utility that provides for an annual energy-savings goal of less than one percent of gross annual retail energy sales from energy conservation improvements.

~~A utility or association may include in its energy conservation plan energy savings from~~ The balance of the 1.75 percent annual energy savings goal may be achieved through energy savings from:

(1) additional energy conservation improvements;

(2) electric utility infrastructure projects approved by the commission under section 216B.1636 that result in increased efficiency greater than would have occurred through normal maintenance activity; or ~~waste heat recovery converted into electricity projects that may count as energy savings in addition to a minimum energy savings goal of at least one percent for energy conservation improvements. Energy savings from electric utility infrastructure projects, as defined in section 216B.1636, may be included in the energy conservation plan of a municipal utility or cooperative electric association. Electric utility infrastructure projects must result in increased energy efficiency greater than that which would have occurred through normal maintenance activity~~

(3) subject to department approval, demand-side natural gas or electric energy displaced by use of waste heat recovered and used as thermal energy, including the recovered thermal energy from a cogeneration or combined heat and power facility.

~~(e) An energy savings goal is not satisfied by attaining the revenue expenditure requirements of subdivisions 1a and 1b, but can only be satisfied by meeting the energy savings goal established in this subdivision.~~

~~(f) An association or~~ (e) A public utility is not required to make energy conservation investments to attain the energy-savings goals of this subdivision that are not cost-effective even if the investment is necessary to attain the energy-savings goals. For the purpose of this paragraph, in determining cost-effectiveness, the commissioner shall consider: (1) the costs and benefits to ratepayers, the utility, participants, and society~~. In addition, the commissioner shall consider~~; (2) the rate at which ~~an association or municipal~~ a public utility is increasing both its energy savings and its expenditures on energy conservation; and (3) the public utility's lifetime energy savings and cumulative energy savings.

~~(g)~~ (f) On an annual basis, the commissioner shall produce and make publicly available a report on the annual energy and capacity savings and estimated carbon dioxide reductions achieved by the ~~energy conservation improvement~~ programs under this section and section 216B.2403 for the two most recent years for which data is available. The report must also include information regarding any annual energy sales or generation capacity increases resulting from efficient fuel-switching improvements. The commissioner shall report on program performance both in the aggregate and for each entity filing an energy conservation improvement plan for approval or review by the commissioner, and must estimate progress made toward the statewide energy-savings goal under section 216B.2401.

~~(h) By January 15, 2010, the commissioner shall report to the legislature whether the spending requirements under subdivisions 1a and 1b are necessary to achieve the energy-savings goals established in this subdivision.~~

~~(i) This subdivision does not apply to:~~

~~(1) a cooperative electric association with fewer than 5,000 members;~~

~~(2) a municipal utility with fewer than 1,000 retail electric customers; or~~

~~(3) a municipal utility with less than 1,000,000,000 cubic feet in annual throughput sales to retail natural gas customers.~~

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

Sec. 9. Minnesota Statutes 2020, section 216B.241, subdivision 1d, is amended to read:

Subd. 1d. **Technical assistance.** (a) The commissioner shall evaluate energy conservation improvement programs filed under this section and section 216B.2403 on the basis of cost-effectiveness and the reliability of the technologies employed. The commissioner shall, by order, establish, maintain, and update energy-savings assumptions that must be used by utilities when filing energy conservation improvement programs. The department must track a public utility's or consumer-owned utility's lifetime energy savings and cumulative lifetime energy savings reported in plans submitted under this section and section 216B.2403.

(b) The commissioner shall establish an inventory of the most effective energy conservation programs, techniques, and technologies, and encourage all Minnesota utilities to implement them, where appropriate~~, in their service territories~~. The commissioner shall describe these programs in sufficient detail to provide a utility reasonable guidance concerning implementation. The commissioner shall prioritize the opportunities in order of potential energy savings and in order of cost-effectiveness.

(c) The commissioner may contract with a third party to carry out any of the commissioner's duties under this subdivision, and to obtain technical assistance to evaluate the effectiveness of any conservation improvement program.

(d) The commissioner may assess up to $850,000 annually for the purposes of this subdivision. The assessments must be deposited in the state treasury and credited to the energy and conservation account created under subdivision 2a. An assessment made under this subdivision is not subject to the cap on assessments provided by section 216B.62, or any other law.

~~(b) Of the assessment authorized under paragraph (a), the commissioner may expend up to $400,000 annually for the purpose of developing, operating, maintaining, and providing technical support for a uniform electronic data reporting and tracking system available to all utilities subject to this section, in order to enable accurate measurement of the cost and energy savings of the energy conservation improvements required by this section. This paragraph expires June 30, 2018.~~

(e) The commissioner must work with stakeholders to develop technical guidelines that public utilities and consumer-owned utilities must use to:

(1) determine whether deployment of a fuel-switching improvement meets the criteria established in subdivision 11, paragraph (e), or section 216B.2403, subdivision 8, as applicable; and

(2) calculate the amount of energy saved by deploying a fuel-switching improvement.

The guidelines under this paragraph must be issued by the commissioner by order no later than March 15, 2022, and must be updated as the commissioner determines is necessary.

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

Sec. 10. Minnesota Statutes 2020, section 216B.241, subdivision 1f, is amended to read:

Subd. 1f. **Facilities energy efficiency.** (a) The commissioner of administration and the commissioner of commerce shall maintain and, as needed, revise the sustainable building design guidelines developed under section 16B.325.

(b) The commissioner of administration and the commissioner of commerce shall maintain and update the benchmarking tool developed under Laws 2001, chapter 212, article 1, section 3, so that all public buildings can use the benchmarking tool to maintain energy use information for the purposes of establishing energy efficiency benchmarks, tracking building performance, and measuring the results of energy efficiency and conservation improvements.

(c) The commissioner shall require that utilities include in their conservation improvement plans programs that facilitate professional engineering verification to qualify a building as Energy Star-labeled, Leadership in Energy and Environmental Design (LEED) certified, or Green Globes-certified. ~~The state goal is to achieve certification of 1,000 commercial buildings as Energy Star labeled, and 100 commercial buildings as LEED certified or Green Globes certified by December 31, 2010.~~

(d) The commissioner may assess up to $500,000 annually for the purposes of this subdivision. The assessments must be deposited in the state treasury and credited to the energy and conservation account created under subdivision 2a. An assessment made under this subdivision is not subject to the cap on assessments provided by section 216B.62, or any other law.

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

Sec. 11. Minnesota Statutes 2020, section 216B.241, subdivision 1g, is amended to read:

Subd. 1g. **Manner of filing and service.** (a) A public utility~~, generation and transmission cooperative electric association, municipal power agency, cooperative electric association, and municipal utility~~ shall submit filings to the department via the department's electronic filing system. The commissioner may approve an exemption from this requirement in the event ~~an affected~~ a public utility ~~or association~~ is unable to submit filings via the department's electronic filing system. All other interested parties shall submit filings to the department via the department's electronic filing system whenever practicable but may also file by personal delivery or by mail.

(b) Submission of a document to the department's electronic filing system constitutes service on the department. Where department rule requires service of a notice, order, or other document by the department, public utility, ~~association,~~ or interested party upon persons on a service list maintained by the department, service may be made by personal delivery, mail, or electronic service, except that electronic service may only be made upon persons on the service list who have previously agreed in writing to accept electronic service at an electronic address provided to the department for electronic service purposes.

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

Sec. 12. Minnesota Statutes 2020, section 216B.241, subdivision 2, is amended to read:

Subd. 2. ~~**Programs**~~ **Public utility; energy conservation and optimization plans.** (a) The commissioner may require a public ~~utilities~~ utility to make investments and expenditures in energy conservation improvements, explicitly setting forth the interest rates, prices, and terms under which the improvements must be offered to the customers. ~~The required programs must cover no more than a three-year period.~~

(b) A public ~~utilities~~ utility shall file an energy conservation ~~improvement plans~~ and optimization plan by June 1, on a schedule determined by order of the commissioner, but at least every three years. ~~Plans received~~ As provided in subdivisions 11 to 13, plans may include programs for efficient fuel-switching improvements and load management. An individual utility program may combine elements of energy conservation, load management, or efficient fuel-switching. The plan must estimate the lifetime energy savings and cumulative lifetime energy savings projected to be achieved under the plan. A plan filed by a public utility by June 1 must be approved or approved as modified by the commissioner by December 1 of that same year.

(c) The commissioner shall evaluate the ~~program~~ plan on the basis of cost-effectiveness and the reliability of technologies employed. The commissioner's order must provide to the extent practicable for a free choice~~,~~ by consumers participating in ~~the~~ an energy conservation program~~,~~ of the device, method, material, or project constituting the energy conservation improvement and for a free choice of the seller, installer, or contractor of the energy conservation improvement, provided that the device, method, material, or project seller, installer, or contractor is duly licensed, certified, approved, or qualified, including under the residential conservation services program, where applicable.

~~(b)~~ (d) The commissioner may require a utility subject to subdivision 1c to make an energy conservation improvement investment or expenditure whenever the commissioner finds that the improvement will result in energy savings at a total cost to the utility less than the cost to the utility to produce or purchase an equivalent amount of new supply of energy. ~~The commissioner shall nevertheless ensure that every public utility operate one or more programs under periodic review by the department.~~

~~(c)~~ (e) Each public utility subject to this subdivision ~~1a~~ may spend and invest annually up to ten percent of the total amount ~~required to be~~ spent and invested on energy conservation improvements under this section by the public utility on research and development projects that meet the definition of energy conservation improvement ~~in subdivision 1 and that are funded directly by the public utility~~.

~~(d) A public utility may not spend for or invest in energy conservation improvements that directly benefit a large energy facility or a large electric customer facility for which the commissioner has issued an exemption pursuant to subdivision 1a, paragraph (b).~~

(f) The commissioner shall consider and may require a public utility to undertake ~~a~~ an energy conservation program suggested by an outside source, including a political subdivision, a nonprofit corporation, or community organization.

~~(e)~~ (g) A public utility, a political subdivision, or a nonprofit or community organization that has suggested ~~a~~ an energy conservation program, the attorney general acting on behalf of consumers and small business interests, or a public utility customer that has suggested ~~a~~ an energy conservation program and is not represented by the attorney general under section 8.33 may petition the commission to modify or revoke a department decision under this section, and the commission may do so if it determines that the energy conservation program is not cost-effective, does not adequately address the residential conservation improvement needs of low-income persons, has a long-range negative effect on one or more classes of customers, or is otherwise not in the public interest. The commission shall reject a petition that, on its face, fails to make a reasonable argument that ~~a~~ an energy conservation program is not in the public interest.

~~(f)~~ (h) The commissioner may order a public utility to include, with the filing of the public utility's annual status report, the results of an independent audit of the public utility's conservation improvement programs and expenditures performed by the department or an auditor with experience in the provision of energy conservation and energy efficiency services approved by the commissioner and chosen by the public utility. The audit must specify the energy savings or increased efficiency in the use of energy within the service territory of the public utility that is the result of the public utility's spending and investments. The audit must evaluate the cost-effectiveness of the public utility's conservation programs.

~~(g) A gas utility may not spend for or invest in energy conservation improvements that directly benefit a large customer facility or commercial gas customer facility for which the commissioner has issued an exemption pursuant to subdivision 1a, paragraph (b), (c), or (e). The commissioner shall consider and may require a utility to undertake a program suggested by an outside source, including a political subdivision, a nonprofit corporation, or a community organization.~~

(i) The energy conservation and optimization plan of each public utility subject to this section must include activities to improve energy efficiency in public schools served by the utility. As applicable to each public utility, at a minimum the activities must include programs to increase the efficiency of the school's lighting and heating and cooling systems, and to provide for building recommissioning, building operator training, and opportunities to educate students, teachers, and staff regarding energy efficiency measures implemented at the school.

(j) The commissioner may require investments or spending greater than the amounts proposed in a plan filed under this subdivision or section 216C.17 for a public utility whose most recent advanced forecast required under section 216B.2422 projects a peak demand deficit of 100 megawatts or more within five years under midrange forecast assumptions.

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

Sec. 13. Minnesota Statutes 2020, section 216B.241, subdivision 2b, is amended to read:

Subd. 2b. **Recovery of expenses.** (a) The commission shall allow a public utility to recover expenses resulting from ~~a~~ an energy conservation ~~improvement program required~~ and optimization plan approved by the department under this section and contributions and assessments to the energy and conservation account, unless the recovery would be inconsistent with a financial incentive proposal approved by the commission. ~~The commission shall allow a cooperative electric association subject to rate regulation under section 216B.026, to recover expenses resulting from energy conservation improvement programs, load management programs, and assessments and contributions to the energy and conservation account unless the recovery would be inconsistent with a financial incentive proposal approved by the commission. In addition,~~

(b) A public utility may file annually, or the Public Utilities Commission may require the public utility to file, and the commission may approve~~,~~ rate schedules containing provisions for the automatic adjustment of charges for utility service in direct relation to changes in the expenses of the public utility for real and personal property taxes, fees, and permits, the amounts of which the public utility cannot control. A public utility is eligible to file for adjustment for real and personal property taxes, fees, and permits under this subdivision only if, in the year previous to the year in which it files for adjustment, it has spent or invested at least 1.75 percent of its gross revenues from provision of electric service, excluding gross operating revenues from electric service provided in the state to large electric customer facilities for which the commissioner has issued an exemption under subdivision 1a, paragraph (b), and 0.6 percent of its gross revenues from provision of gas service, excluding gross operating revenues from gas services provided in the state to large electric customer facilities for which the commissioner has issued an exemption under subdivision 1a, paragraph (b), for that year for energy conservation improvements under this section.

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

Sec. 14. Minnesota Statutes 2020, section 216B.241, subdivision 3, is amended to read:

Subd. 3. **Ownership of preweatherization measure or energy conservation improvement.** ~~An~~ (a) A preweatherization measure or energy conservation improvement made to or installed in a building in accordance with this section, except systems owned by ~~the~~ a public utility and designed to turn off, limit, or vary the delivery of energy, are the exclusive property of the owner of the building except to the extent that the improvement is subjected to a security interest in favor of the public utility in case of a loan to the building owner. ~~The~~

(b) A public utility has no liability for loss, damage, or injury caused directly or indirectly by ~~an~~ a preweatherization measure or energy conservation improvement except for negligence by the utility in ~~purchase, installation, or modification of the product.~~ purchasing, installing, or modifying a preweatherization measure or energy conservation improvement.

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

Sec. 15. Minnesota Statutes 2020, section 216B.241, subdivision 5, is amended to read:

Subd. 5. **Efficient lighting program.** (a) Each public utility~~, cooperative electric association, and municipal~~ and consumer-owned utility that provides electric service to retail customers and is subject to subdivision 1c or section 216B.2403 shall include as part of its conservation improvement activities a program to strongly encourage the use of LED lamps. The program must include at least a public information campaign to encourage use of LED lamps and proper management of spent lamps by all customer classifications.

(b) A public utility that provides electric service at retail to 200,000 or more customers shall establish, either directly or through contracts with other persons, including lamp manufacturers, distributors, wholesalers, and retailers and local government units, a system to collect for delivery to a reclamation or recycling facility spent fluorescent and high-intensity discharge lamps from households and from small businesses as defined in section 645.445 that generate an average of fewer than ten spent lamps per year.

(c) A collection system must include establishing reasonably convenient locations for collecting spent lamps from households and financial incentives sufficient to encourage spent lamp generators to take the lamps to the collection locations. Financial incentives may include coupons for purchase of new LED lamps, a cash back system, or any other financial incentive or group of incentives designed to collect the maximum number of spent lamps from households and small businesses that is reasonably feasible.

(d) A public utility that provides electric service at retail to fewer than 200,000 customers, ~~a cooperative electric association, or a municipal~~ or a consumer-owned utility that provides electric service at retail to customers may establish a collection system under paragraphs (b) and (c) as part of conservation improvement activities required under this section.

(e) The commissioner of the Pollution Control Agency may not, unless clearly required by federal law, require a public utility~~, cooperative electric association, or municipality~~ or consumer-owned utility that establishes a household fluorescent and high-intensity discharge lamp collection system under this section to manage the lamps as hazardous waste as long as the lamps are managed to avoid breakage and are delivered to a recycling or reclamation facility that removes mercury and other toxic materials contained in the lamps prior to placement of the lamps in solid waste.

(f) If a public utility~~, cooperative electric association, or municipal~~ or consumer-owned utility contracts with a local government unit to provide a collection system under this subdivision, the contract must provide for payment to the local government unit of all the unit's incremental costs of collecting and managing spent lamps.

(g) All the costs incurred by a public utility~~, cooperative electric association, or municipal~~ or consumer-owned utility to promote the use of LED lamps and to ~~collect fluorescent and high-intensity discharge~~ collect LED lamps under this subdivision are conservation improvement spending under this section.

(h) For the purposes of this subdivision, "LED lamp" means a light-emitting diode ~~lamp that consists of a solid state device that emits visible light when an electric current passes through a semiconductor~~ bulb or lighting product.

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

Sec. 16. Minnesota Statutes 2020, section 216B.241, subdivision 7, is amended to read:

Subd. 7. **Low-income programs.** (a) The commissioner shall ensure that each public utility ~~and association~~ subject to subdivision 1c provides ~~low-income~~ energy conservation programs to low-income households. When approving spending and energy-savings goals for low-income programs, the commissioner shall consider historic spending and participation levels, energy savings ~~for~~ achieved by low-income programs, and the number of low-income persons residing in the utility's service territory. A ~~municipal utility that furnishes gas service must spend at least 0.2 percent, and a~~ public utility furnishing gas service must spend at least ~~0.4~~ 0.8 percent~~,~~ of its most recent three-year average gross operating revenue from residential customers in the state on low-income programs. A public utility ~~or association~~ that furnishes electric service must spend at least ~~0.1~~ 0.4 percent of its gross operating revenue from residential customers in the state on low-income programs. ~~For a generation and transmission cooperative association, this requirement shall apply to each association's members' aggregate gross operating revenue from sale of electricity to residential customers in the state. Beginning in 2010, a utility or association that furnishes electric service must spend 0.2 percent of its gross operating revenue from residential customers in the state on low-income programs.~~

(b) To meet the requirements of paragraph (a), a public utility ~~or association~~ may contribute money to the energy and conservation account established under subdivision 2a. An energy conservation improvement plan must state the amount, if any, of low-income energy conservation improvement funds the public utility ~~or association~~ will contribute to the energy and conservation account. Contributions must be remitted to the commissioner by February 1 of each year.

(c) The commissioner shall establish low-income energy conservation programs to utilize ~~money contributed~~ contributions made to the energy and conservation account under paragraph (b). In establishing low-income programs, the commissioner shall consult political subdivisions, utilities, and nonprofit and community organizations, especially organizations ~~engaged in~~ providing energy and weatherization assistance to low-income ~~persons~~ households. ~~Money contributed~~ Contributions made to the energy and conservation account under paragraph (b) must provide programs for low-income ~~persons~~ households, including low-income renters, in the service territory of the public utility ~~or association~~ providing the money. The commissioner shall record and report expenditures and energy savings achieved as a result of low-income programs funded through the energy and conservation account in the report required under subdivision 1c, paragraph ~~(g)~~ (f). The commissioner may contract with a political subdivision, nonprofit or community organization, public utility, ~~municipality,~~ or ~~cooperative electric association~~ consumer-owned utility to implement low-income programs funded through the energy and conservation account.

(d) A public utility ~~or association~~ may petition the commissioner to modify its required spending under paragraph (a) if the utility ~~or association~~ and the commissioner have been unable to expend the amount required under paragraph (a) for three consecutive years.

(e) The commissioner must develop and establish guidelines to determine the eligibility of multifamily buildings to participate in low-income energy conservation programs. Notwithstanding the definition of low-income household in section 216B.2402, for purposes of determining the eligibility of multifamily buildings for low-income programs a public utility may apply the most recent guidelines published by the department. The commissioner must convene a stakeholder group to review and update guidelines by July 1, 2022, and at least once every five years thereafter. The stakeholder group must include but is not limited to representatives of public utilities as defined in section 216B.02, subdivision 4; municipal electric or gas utilities; electric cooperative associations; multifamily housing owners and developers; and low-income advocates.

(f) Up to 15 percent of a public utility's spending on low-income programs may be spent on preweatherization measures. A public utility is prohibited from claiming energy savings from preweatherization measures toward the public utility's energy savings goal.

(g) The commissioner must, by order, establish a list of preweatherization measures eligible for inclusion in low-income programs no later than March 15, 2022.

(h) A Healthy AIR (Asbestos Insulation Removal) account is established as a separate account in the special revenue fund in the state treasury. A public utility may elect to contribute money to the Healthy AIR account to provide preweatherization measures to households eligible for weatherization assistance under section 216C.264. Remediation activities must be executed in conjunction with federal weatherization assistance program services. Money contributed to the account counts toward: (1) the minimum low-income spending requirement in paragraph (a); and (2) the cap on preweatherization measures under paragraph (f). Money in the account is annually appropriated to the commissioner of commerce to pay for Healthy AIR-related activities.

~~(e)~~ (i) The costs and benefits associated with any approved low-income gas or electric conservation improvement program that is not cost-effective when considering the costs and benefits to the public utility may, at the discretion of the utility, be excluded from the calculation of net economic benefits for purposes of calculating the financial incentive to the public utility. The energy and demand savings may, at the discretion of the public utility, be applied toward the calculation of overall portfolio energy and demand savings for purposes of determining progress toward annual goals and in the financial incentive mechanism.

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

Sec. 17. Minnesota Statutes 2020, section 216B.241, subdivision 8, is amended to read:

Subd. 8. **Assessment.** The commission or department may assess public utilities subject to this section ~~in proportion to their respective~~ to carry out the purposes of subdivisions 1d, 1e, and 1f. An assessment under this subdivision must be proportionate to a public utility's gross operating revenue from sales of gas or electric service within ~~the state~~ Minnesota during the last calendar year ~~to carry out the purposes of subdivisions 1d, 1e, and 1f. Those assessments~~, as applicable. Assessments made under this subdivision are not subject to the cap on assessments provided by section 216B.62, or any other law.

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

Sec. 18. Minnesota Statutes 2020, section 216B.241, is amended by adding a subdivision to read:

Subd. 11. **Programs for efficient fuel-switching improvements; electric utilities.** (a) A public utility providing electric service at retail may include in the plan required under subdivision 2 programs to implement efficient fuel-switching improvements or combinations of energy conservation improvements, fuel-switching improvements, and load management. For each program, the public utility must provide a proposed budget, an analysis of the program's cost-effectiveness, and estimated net energy and demand savings.

(b) The department may approve proposed programs for efficient fuel-switching improvements if the department determines the improvements meet the requirements of paragraph (d). For fuel-switching improvements that require the deployment of electric technologies, the department must also consider whether the fuel-switching improvement can be operated in a manner that facilitates the integration of variable renewable energy into the electric system. The net benefits from an efficient fuel-switching improvement that is integrated with an energy efficiency program approved under this section may be counted toward the net benefits of the energy efficiency program if the department determines the primary purpose and effect of the program is energy efficiency.

(c) A public utility may file a rate schedule with the commission that provides for annual cost recovery of reasonable and prudent costs incurred to implement and promote efficient fuel-switching programs. The commission may not approve a financial incentive to encourage efficient fuel-switching programs operated by a public utility providing electric service.

(d) A fuel-switching improvement is deemed efficient if, applying the technical criteria established under section 216B.241, subdivision 1d, paragraph (b), the improvement meets the following criteria, relative to the fuel that is being displaced:

(1) results in a net reduction in the amount of source energy consumed for a particular use, measured on a fuel-neutral basis;

(2) results in a net reduction of statewide greenhouse gas emissions as defined in section 216H.01, subdivision 2, over the lifetime of the improvement. For an efficient fuel-switching improvement installed by an electric utility, the reduction in emissions must be measured based on the hourly emission profile of the electric utility, using the hourly emissions profile in the most recent resource plan approved by the commission under section 216B.2422;

(3) is cost-effective, considering the costs and benefits from the perspective of the utility, participants, and society; and

(4) is installed and operated in a manner that improves the utility's system load factor.

(e) For purposes of this subdivision, "source energy" means the total amount of primary energy required to deliver energy services, adjusted for losses in generation, transmission, and distribution, and expressed on a fuel-neutral basis.

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

Sec. 19. Minnesota Statutes 2020, section 216B.241, is amended by adding a subdivision to read:

Subd. 12. **Programs for efficient fuel-switching improvements; natural gas utilities.** (a) As part of a public utility's plan filed under subdivision 2, a public utility that provides natural gas service to Minnesota retail customers may propose as an energy conservation improvement one or more programs to install electric technologies that reduce the consumption of natural gas by the utility's retail customers. The commissioner may approve a proposed program if the commissioner, applying the technical criteria developed under section 216B.241, subdivision 1d, paragraph (b), determines:

(1) the electric technology to be installed meets the criteria established under section 216B.241, subdivision 11, paragraph (d), clauses (1) and (2); and

(2) the program is cost-effective, considering the costs and benefits to ratepayers, the utility, participants, and society.

(b) If a program is approved by the commission under this subdivision, the public utility may count the program's energy savings toward the public utility's energy savings goal under section 216B.241, subdivision 1c. Notwithstanding section 216B.2402, subdivision 4, efficient fuel-switching achieved through programs approved under this subdivision is energy conservation.

(c) A public utility may file rate schedules with the commission that provide annual cost-recovery for programs approved by the department under this subdivision, including reasonable and prudent costs incurred to implement and promote the programs.

(d) The commission may approve, modify, or reject a proposal made by the department or a utility for an incentive plan to encourage efficient fuel-switching programs approved under this subdivision, applying the considerations established under section 216B.16, subdivision 6c, paragraphs (b) and (c). The commission may approve a financial incentive mechanism that is calculated based on the combined energy savings and net benefits that the commission determines have been achieved by a program approved under this subdivision, provided the commission determines that the financial incentive mechanism is in the ratepayers' interest.

(e) A public utility is not eligible for a financial incentive for an efficient fuel-switching program under this subdivision in any year in which the utility achieves energy savings below one percent of gross annual retail energy sales, excluding savings achieved through fuel-switching programs.

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

Sec. 20. Minnesota Statutes 2020, section 216B.241, is amended by adding a subdivision to read:

Subd. 13. **Cost-effective load management programs.** (a) A public utility may include in the utility's plan required under subdivision 2 programs to implement load management activities, or combinations of energy conservation improvements, fuel-switching improvements, and load management activities. For each program the public utility must provide a proposed budget, cost-effectiveness analysis, and estimated net energy and demand savings.

(b) The commissioner may approve a proposed program if the commissioner determines the program is cost-effective, considering the costs and benefits to ratepayers, the utility, participants, and society.

(c) A public utility providing retail service to Minnesota customers may file rate schedules with the commission that provide for annual cost recovery of reasonable and prudent costs incurred to implement and promote cost-effective load management programs approved by the department under this subdivision.

(d) In determining whether to approve, modify, or reject a proposal made by the department or a public utility for an incentive plan to encourage investments in load management programs, the commission shall consider whether the plan:

(1) is needed to increase the public utility's investment in cost-effective load management;

(2) is compatible with the interest of the public utility's ratepayers; and

(3) links the incentive to the public utility's performance in achieving cost-effective load management.

(e) The commission may structure an incentive plan to encourage cost-effective load management programs as an asset on which a public utility earns a rate of return at a level the commission determines is reasonable and in the public interest.

(f) The commission may include the net benefits from a load management activity integrated with an energy efficiency program approved under this section in the net benefits of the energy efficiency program for purposes of a financial incentive program under section 216B.16, subdivision 6c, if the department determines the primary purpose of the load management activity is energy efficiency.

(g) A public utility is not eligible for a financial incentive for a load management program in any year in which the utility achieves energy savings below one percent of gross annual retail energy sales, excluding savings achieved through load management programs.

(h) The commission may include net benefits from a particular load management activity in an incentive plan under this subdivision or section 216B.16, subdivision 6c, but not both.

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

Sec. 21. Minnesota Statutes 2020, section 216B.241, is amended by adding a subdivision to read:

Subd. 14. **Minnesota efficient technology accelerator.** (a) A nonprofit organization with extensive experience implementing energy efficiency programs and conducting energy-efficient technology research in Minnesota may file a proposal with the commissioner for a program to accelerate deployment and reduce the cost of emerging and innovative efficient technologies and approaches and result in lower energy costs for Minnesota ratepayers. The program must include strategic initiatives with technology manufacturers to improve the efficiency and performance of products, and with equipment installers and other key actors in the technology supply chain. The program's goals are to achieve cost-effective energy savings for Minnesota utilities, provide bill savings to Minnesota utility consumers, enhance employment opportunities in Minnesota, and avoid greenhouse gas emissions.

(b) Prior to developing and filing a proposal, the nonprofit must submit to the commissioner a notice of intent to file a proposal under this subdivision that describes the nonprofit's eligibility with respect to the requirements of paragraph (a). The commissioner shall review the notice of intent and issue a determination of eligibility within 30 days of the date the notice of intent is filed.

(c) Upon receiving approval from the commissioner to file a proposal under this section, a nonprofit organization must engage interested stakeholders in discussions regarding, at a minimum, the following elements required of a program proposal under this subdivision:

(1) a proposed budget and operational guidelines for the accelerator;

(2) proposed methodologies to estimate, evaluate, and allocate energy savings and net benefits from program activities. Energy savings and net benefits from program activities must be allocated to participating utilities and must be considered when determining the cost-effectiveness of energy savings achieved by the program and related incentives;

(3) a process to identify and select technologies that:

(i) address energy use in residential, commercial, and industrial buildings; and

(ii) benefit utility customers in proportion to the funds contributed to the program by electric and natural gas utilities, respectively; and

(4) a process to identify and track performance metrics for each technology selected so that progress toward achieving energy savings can be measured, including one or more methods to evaluate cost-effectiveness.

(d) No earlier than 180 days from the date of the commissioner's eligibility determination under paragraph (b), the nonprofit may file a program proposal under this subdivision. The filing must address each of the elements listed in paragraph (c), clauses (1) to (4), and the recommendations and concerns identified in the stakeholder engagement process required under paragraph (c). Within 90 days of the filing of the proposal, after notice and comment, and after the commissioner has considered the estimated program costs and benefits from the perspectives of ratepayers, utilities, and society, the commissioner shall approve, modify, or reject the proposal. An approved program may have a term extending up to five years, and may be renewed by the commissioner one or more times for additional terms of up to five years.

(e) Upon approval of a program under paragraph (d), each public utility with over 30,000 customers must participate in the program and contribute to the approved program budget in proportion to the public utility's gross operating revenue from sales of gas or electric service in Minnesota, excluding revenues from large customer facilities exempted under subdivision 1a. A participating utility is not required to contribute more than the following percentages of the utility's spending approved by the commission in the plan filed under subdivision 2: (1) two percent in the program's initial two years; (2) 3.5 percent in the program's third and fourth years; and (3) five percent each year thereafter. Other utilities may elect to participate in an approved program.

(f) A participating utility may request the commissioner to adjust its approved annual budget under subdivision 2, if necessary to meet approved energy savings goals under subdivision 2. Other utilities may elect to participate in the accelerator program.

(g) Costs incurred by a public utility under this subdivision are recoverable under subdivision 2b as an assessment to the energy and conservation account. Amounts provided to the account under this subdivision are not subject to the cap on assessments in section 216B.62. The commissioner may make expenditures from the account for the purposes of this subdivision, including amounts necessary to reimburse administrative costs incurred by the department under this subdivision. Costs for research projects under this subdivision that the commissioner determines may be duplicative to projects that would be eligible for funding under subdivision 1e, paragraph (a), may be deducted from the assessment under subdivision 1e for utilities participating in the accelerator.

EFFECTIVE DATE. This section is effective immediately upon enactment.

Sec. 22. Minnesota Statutes 2020, section 216B.2412, subdivision 3, is amended to read:

Subd. 3. **Pilot programs.** The commission shall allow one or more rate-regulated utilities to participate in a pilot program to assess the merits of a rate-decoupling strategy to promote energy efficiency and conservation. Each pilot program must utilize the criteria and standards established in subdivision 2 and be designed to determine whether a rate-decoupling strategy achieves energy savings. On or before a date established by the commission, the commission shall require electric and gas utilities that intend to implement a decoupling program to file a decoupling pilot plan, which shall be approved or approved as modified by the commission. A pilot program may not exceed three years in length. Any extension beyond three years can only be approved in a general rate case, unless that decoupling program was previously approved as part of a general rate case. ~~The commission shall report on the programs annually to the chairs of the house of representatives and senate committees with primary jurisdiction over energy policy.~~

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

Sec. 23. Minnesota Statutes 2020, section 216B.2422, is amended by adding a subdivision to read:

Subd. 7a. **Energy storage systems; installation.** The commission shall, as part of an order with respect to a public utility's integrated resource plan filed under this section, require a public utility to install one or more energy storage systems, provided that the commission finds the investments are reasonable, prudent, and in the public interest. In determining the aggregate capacity of the energy storage systems ordered under this subdivision, the commission must consider the public utility's assessment of energy storage systems contained in the public utility's integrated resource plan, as required under subdivision 7.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to any order issued to a public utility by the commission in an integrated resource plan proceeding after July 1, 2021.

Sec. 24. **[216B.2427] ENERGY STORAGE SYSTEM; APPLICATION.**

Subdivision 1. **Definition.** For the purposes of this section, "energy storage system" has the meaning given in section 216B.2422, subdivision 1, paragraph (f).

Subd. 2. **Application requirement.** No later than one year following the commission's order to a public utility in an integrated resource plan proceeding under section 216B.2422, the public utility must submit an application to the commission for review and approval to install one or more energy storage systems whose aggregate capacity meets or exceeds that ordered by the commission in the public utility's most recent integrated resource plan proceeding under section 216B.2422, subdivision 7a.

Subd. 3. **Application contents.** (a) Each application submitted under this section shall contain the following information:

(1) technical specifications of the energy storage system, including but not limited to:

(i) the maximum amount of electric output that the energy storage system can provide;

(ii) the length of time the energy storage system can sustain maximum output;

(iii) the location of the project and a description of the analysis conducted to determine the location;

(iv) a description of the public utility's electric system needs that the proposed energy storage system address;

(v) a description of the types of services the energy storage system is expected to provide; and

(vi) a description of the technology required to construct, operate, and maintain the energy storage system, including any data or communication system necessary to operate the energy storage system;

(2) the estimated cost of the project, including:

(i) capital costs;

(ii) the estimated cost per unit of energy delivered by the energy storage system; and

(iii) an evaluation of the cost-effectiveness of the energy storage system;

(3) the estimated benefits of the energy storage system to the public utility's electric system, including but not limited to:

(i) deferred investments in generation, transmission, or distribution capacity;

(ii) reduced need for electricity during times of peak demand;

(iii) improved reliability of the public utility's transmission or distribution system; and

(iv) improved integration of the public utility's renewable energy resources;

(4) how the addition of an energy storage system complements proposed actions of the public utility described in the most recent integrated resource plan submitted under section 216B.2422 to meet expected demand with the least cost combination of resources; and

(5) any additional information required by the commission.

(b) A public utility must include in the application an evaluation of the potential to store energy in the public utility's electric system and must identify geographic areas in the public utility's service area where the deployment of energy storage systems has the greatest potential to achieve the economic benefits identified in paragraph (a), clause (3).

Subd. 4. **Commission review.** The commission shall review each proposal submitted under this section and may approve, reject, or modify the proposal. The commission shall approve a proposal the commission determines is in the public interest and reasonably balances the value derived from the deployment of an energy storage system for ratepayers and the public utility's operations with the costs of procuring, constructing, operating, and maintaining the energy storage system.

Subd. 5. **Cost recovery.** A public utility may recover from ratepayers all costs prudently incurred by the public utility to deploy an energy storage system approved by the commission under this section, net of any revenues generated by the operation of the energy storage system.

Subd. 6. **Commission authority; orders.** The commission may issue orders necessary to implement and administer this section.

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

Sec. 25. Minnesota Statutes 2020, section 216C.05, subdivision 2, is amended to read:

Subd. 2. **Energy policy goals.** It is the energy policy of the state of Minnesota that:

(1) annual energy savings equal to at least 1.5 percent of annual retail energy sales of electricity and natural gas ~~be~~ is achieved through cost-effective energy efficiency;

(2) the per capita use of fossil fuel as an energy input ~~be~~ is reduced by 15 percent by the year 2015, through increased reliance on energy efficiency and renewable energy alternatives;

(3) 25 percent of the total energy used in ~~the state be~~ Minnesota is derived from renewable energy resources by the year 2025; ~~and~~

(4) statewide greenhouse gas emissions from energy use in existing commercial and residential buildings is reduced by 50 percent by 2035 through: (i) continued use of the most effective current energy-saving incentives programs, evaluated by participation and efficacy; and (ii) development and implementation of new programs, prioritizing solutions that achieve the highest overall carbon reduction; and

~~(4)~~ (5) retail electricity rates for each customer class ~~be~~ are at least five percent below the national average.

Sec. 26. **[216C.402] REBUILD RIGHT GRANT PROGRAM.**

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

(b) "Cold climate air-source heat pump" means a mechanism that heats and cools indoor air by transferring heat from outdoor or indoor air using a fan, a refrigerant-filled heat exchanger, and an inverter-driven compressor that varies the pressure of the refrigerant to warm or cool the refrigerant vapor.

(c) "Commercial building" means a building:

(1) with an occupant that is (i) engaged in wholesale or retail trade or the provision of services, or (ii) a restaurant; or

(2) that contains four or more dwelling units.

(d) "Energy conservation" has the meaning given in section 216B.241, subdivision 1, paragraph (e).

(e) "Energy efficiency" has the meaning given in section 216B.241, subdivision 1, paragraph (f).

(f) "Energy storage system" has the meaning given in section 216B.2422, subdivision 1, paragraph (f).

(g) "Envelope" means the physical elements separating a building's interior and exterior.

(h) "Grantee" means a person awarded a grant by the commissioner under this section.

(i) "Ground-source heat pump" means an earth-coupled heating or cooling device consisting of a sealed closed-loop piping system installed in the ground to transfer heat between the surrounding earth and a building.

(j) "Institutional building" means a building with occupants that provide health care, educational, or government services.

(k) "Preweatherization measure" means a general repair or measure that affects the health or safety of residents of a dwelling unit and that is required under federal law in order for weatherization services to be provided to the dwelling unit.

(l) "Qualified energy technology" means:

(1) a solar energy system;

(2) a measure installed in a building that results in energy efficiency or energy conservation, excluding a natural gas furnace that does not function solely as a backup to a primary heating system utilizing a ground-source heat pump or a cold climate air-source heat pump; or

(3) an energy storage system.

(m) "Residential building" means a building containing one to three residential units.

(n) "Solar energy system" has the meaning given in section 216C.06, subdivision 17.

Subd. 2. **Program establishment.** A rebuild right grant program is established in the Department of Commerce to award grants to incorporate qualified energy technologies as part of the renovation or new construction of buildings damaged or destroyed by civil unrest in May and June 2020.

Subd. 3. **Application.** (a) An application for a grant under this section must be made to the commissioner on a form developed by the commissioner. The application must include:

(1) evidence substantiating the applicant's experience required under subdivision 4, paragraph (b);

(2) information detailing how property owners are notified that financial assistance is available;

(3) the geographic area within which an applicant proposes to target financial assistance;

(4) information detailing (i) how the applicant determines whether a proposed project meets the applicable energy standards required under subdivision 5, and (ii) what post-implementation methods are used to assess whether the standards have been met;

(5) information detailing how the applicant evaluates and ranks project proposals; and

(6) any other information required by the commissioner.

(b) The commissioner must develop administrative procedures and processes to review applications and award grants under this section.

Subd. 4. **Eligible applicants.** (a) Multiple organizations, including political subdivisions and nonprofit organizations, may jointly file a single application for a grant award under this section.

(b) Applicants for a grant awarded under this section must have experience:

(1) analyzing the energy and economic impacts of installing qualified energy technologies in buildings;

(2) working with contractors to implement projects that install qualified energy technologies in buildings; and

(3) successfully working with small businesses, community groups, and residents of neighborhoods where a preponderance of the total number of households are low-income households.

Subd. 5. **Eligible activities; energy standards.** (a) Except as provided in paragraph (b), a renovated or newly constructed commercial or institutional building awarded grant funds under this section must meet, at a minimum, the current Sustainable Building 2030 energy performance standards adopted under section 216B.241, subdivision 9.

(b) A renovated or newly constructed residential building or a commercial building containing four or more dwelling units awarded grant funds under this section must meet, at a minimum, the current energy performance standards for new residential construction or renovations, as applicable, contained in the International Passive House Standard promoted by the North American Passive House Network or the United States Department of Energy's Zero Energy Ready Home.

Subd. 6. **Eligible properties.** A property is eligible to receive a grant awarded under this section if the property: (1) was damaged or destroyed by civil unrest that occurred in the state in May and June 2020; and (2) is being renovated or constructed to operate as a residential, commercial, or institutional property.

Subd. 7. **Eligible expenditures.** An appropriation made to support activities under this section may be used to:

(1) conduct outreach activities to:

(i) cities and business associations affected by the civil unrest that occurred in Minnesota in May and June 2020;

(ii) persons listed in subdivision 8, clause (1), items (i) to (iv); and

(iii) potential building owners who may receive services under the program;

(2) purchase and install qualified energy technologies in buildings;

(3) pay the reasonable costs incurred by the department to administer this section; and

(4) compensate task force members under subdivision 12.

Subd. 8. **Grant priorities.** When awarding grants under this section, the commissioner must give priority to applications that:

(1) commit to conduct aggressive outreach programs to provide assistance under this section to eligible owners of buildings:

(i) located in census tracts in which 50 percent or more of households have household incomes at or below 60 percent of the state median household income;

(ii) located in census tracts designated by the governor as Opportunity Zones under United States Code, title 26, section 1400Z-1, et. seq.;

(iii) containing minority-owned businesses, as defined in section 116J.8737; or

(iv) containing women-owned businesses, as defined in section 116J.8737;

(2) commit to employ contractors that pay employees a wage comparable to, as determined by the commissioner, the prevailing wage rate, as defined in section 177.42; or

(3) leverage additional funding to be used for the purposes of this section.

Subd. 9. **Limits.** Grant funds awarded under this section to support the renovation or construction of building envelopes and energy systems in commercial or institutional buildings may be used to pay the difference between (1) the cost to renovate or construct a building's envelope or energy system to meet the current applicable energy code, and (2) the cost to meet the standards required under subdivision 5. The commissioner must develop a methodology to calculate the cost to renovate or construct a commercial or institutional building's envelope and energy system to meet current applicable energy code standards, which must be used by a grantee to determine the amount awarded to a building owner.

Subd. 10. **Awards to building owners.** A commercial or institutional building owner seeking funding from a grant awarded under this section must submit an application to the grantee that includes:

(1) evidence that the building is eligible to receive a grant under this section, including documentation of damage done to the building;

(2) a description of the project, including cost estimates for major project elements;

(3) documentation that the measures funded result in the building meeting the applicable energy standards of subdivision 5; and

(4) any other information required by a grantee.

Subd. 11. **Grantee reports.** Recipients of a grant awarded under this section must file semiannual reports with the commissioner containing:

(1) a list of properties where grant funds have been expended, the amount of the expenditures, and the nature of the energy efficiency measures and renewable energy systems installed;

(2) estimated energy savings and greenhouse gas emissions reductions resulting from expenditures made under this section compared with estimated levels of energy use and greenhouse gas emissions associated with those properties in 2019; and

(3) any other information required by the commissioner.

Subd. 12. **Advisory task force.** (a) Within 60 days of the effective date of this act, the commissioner must select and appoint eight members to a Rebuild Right Advisory Task Force and must convene the initial meeting of the task force. The advisory task force must include:

(1) one representative of the public utility subject to section 116C.779, subdivision 1;

(2) one representative of the Prairie Island Indian Community;

(3) one representative of organized labor;

(4) two representatives of organizations with expertise installing energy conservation measures and renewable energy programs in buildings;

(5) one representative of organizations that advocate for energy policies addressing low-income households; and

(6) two representatives of organizations representing businesses located in areas that experienced extensive property damage from civil unrest in Minnesota in May and June 2020.

(b) Within 60 days of the effective date of this act, the state senators and state representatives representing Minneapolis neighborhoods that suffered extensive property damage from civil unrest in May and June 2020 must jointly appoint as task force members two residents who live in the neighborhoods where the property damage occurred.

(c) Within 60 days of the effective date of this act, the state senators and state representatives representing St. Paul neighborhoods that suffered extensive property damage from civil unrest in May and June 2020 must jointly appoint as task force members two residents who live in the neighborhoods where the property damage occurred.

(d) Members of the advisory task force appointed under paragraph (a), clauses (1) to (3), are nonvoting members. All other members are voting members.

(e) The Department of Commerce must serve as staff and provide administrative support to the advisory task force.

(f) The advisory task force must advise the commissioner throughout the development of the request for proposal and grant award process, and may recommend funding priorities in addition to those listed in subdivision 8. Within 60 days of the initial meeting, the advisory task force must present recommendations to the commissioner regarding the content of the request for proposal.

(g) An organization that is represented on the advisory task force must not be awarded a grant under this section.

(h) Notwithstanding section 15.059, subdivision 6, advisory task force members may be compensated as provided under section 15.059, subdivision 3.

(i) The advisory task force established under this subdivision expires two years after the effective date of this act.

Subd. 13. **Report.** Beginning January 15, 2022, and continuing each January 15 through 2026, the commissioner must submit a report to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over energy policy. The report must contain:

(1) a list of the grant awards made under this section;

(2) summaries of the grantee reports submitted under subdivision 10; and

(3) other information deemed relevant by the commissioner.

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

Sec. 27. Minnesota Statutes 2020, section 326B.106, subdivision 1, is amended to read:

Subdivision 1. **Adoption of code.** (a) Subject to paragraphs (c) and (d) and sections 326B.101 to 326B.194, the commissioner shall by rule and in consultation with the Construction Codes Advisory Council establish a code of standards for the construction, reconstruction, alteration, and repair of buildings, governing matters of structural

materials, design and construction, fire protection, health, sanitation, and safety, including design and construction standards regarding heat loss control, illumination, and climate control. The code must also include duties and responsibilities for code administration, including procedures for administrative action, penalties, and suspension and revocation of certification. The code must conform insofar as practicable to model building codes generally accepted and in use throughout the United States, including a code for building conservation. In the preparation of the code, consideration must be given to the existing statewide specialty codes presently in use in the state. Model codes with necessary modifications and statewide specialty codes may be adopted by reference. The code must be based on the application of scientific principles, approved tests, and professional judgment. To the extent possible, the code must be adopted in terms of desired results instead of the means of achieving those results, avoiding wherever possible the incorporation of specifications of particular methods or materials. To that end the code must encourage the use of new methods and new materials. Except as otherwise provided in sections 326B.101 to 326B.194, the commissioner shall administer and enforce the provisions of those sections.

(b) The commissioner shall develop rules addressing the plan review fee assessed to similar buildings without significant modifications including provisions for use of building systems as specified in the industrial/modular program specified in section 326B.194. Additional plan review fees associated with similar plans must be based on costs commensurate with the direct and indirect costs of the service.

(c) Beginning with the 2018 edition of the model building codes and every six years thereafter, the commissioner shall review the new model building codes and adopt the model codes as amended for use in Minnesota, within two years of the published edition date. The commissioner may adopt amendments to the building codes prior to the adoption of the new building codes to advance construction methods, technology, or materials, or, where necessary to protect the health, safety, and welfare of the public, or to improve the efficiency or the use of a building.

(d) Notwithstanding paragraph (c), the commissioner shall act on each new model residential energy code and the new model commercial energy code in accordance with federal law for which the United States Department of Energy has issued an affirmative determination in compliance with United States Code, title 42, section 6833. Beginning in 2022, the commissioner shall act on the new model commercial energy code by adopting each new published edition of ASHRAE 90.1 or a more efficient standard, and amending the standard as necessary to achieve a minimum of eight percent energy efficiency with each edition, as measured against energy consumption by an average building in each applicable building sector in 2003. These amendments must achieve a net zero energy standard for new commercial buildings by 2036 and thereafter. The commissioner may adopt amendments prior to adoption of the new energy codes, as amended for use in Minnesota, to advance construction methods, technology, or materials, or, where necessary to protect the health, safety, and welfare of the public, or to improve the efficiency or use of a building.

Sec. 28. **SUPPLEMENTING WEATHERIZATION SERVICES.**

(a) The state may implement preweatherization measures and qualified energy technologies in dwelling units of low-income households that are: (1) receiving weatherization services delivered under the federal Weatherization Assistance Program authorized under United States Code, title 42, section 6861, et. seq.; and (2) located in neighborhoods adjacent to areas that experienced property damage resulting from civil unrest in May and June 2020, as determined by the commissioner of commerce.

(b) Minnesota Statutes, section 216C.264, subdivisions 1 to 3 and 6, apply to assistance provided under this section.

(c) The commissioner of commerce may require the design heating load of a dwelling unit receiving assistance under this section to be no more than 12 British Thermal Units per hour per square foot after all preweatherization measures financed under this section, qualified energy technologies financed under this section, and weatherization measures provided under the federal weatherization program are implemented.

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

Sec. 29. **TASK FORCE ON EXPANDING THE PROVISION OF WEATHERIZATION SERVICES.**

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

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

(c) "Weatherization Assistance Program" means the federal program described in Code of Federal Regulations, title 10, part 440 et. seq., designed to assist low-income households to cost-effectively reduce energy use.

(d) "Weatherization service providers" means the network of contracted entities that administer the Weatherization Assistance Program.

(e) "Weatherization assistance services" means the energy conservation measures installed in households under the Weatherization Assistance Program.

Subd. 2. **Establishment.** A task force is established to explore ways to expand existing funding sources and identify potential new funding sources in order to increase the number of low-income Minnesota households served or the scope of services provided by the Weatherization Assistance Program.

Subd. 3. **Membership.** (a) No later than August 1, 2021, the commissioner must appoint members to the task force representing the following stakeholders:

(1) a statewide association representing Weatherization Assistance Program providers;

(2) individual Weatherization Assistance Program service providers;

(3) investor-owned utilities;

(4) electric cooperatives and municipal utilities;

(5) low-income energy advocates;

(6) Tribal nations; and

(7) delivered fuel dealers.

(b) Task force members serve without compensation.

(c) The commissioner must fill task force vacancies to maintain the representation required under paragraph (a).

Subd. 4. **Meetings; officers.** (a) The commissioner must convene the first meeting of the task force no later than August 15, 2021.

(b) At the first meeting, the task force must elect a chair and vice-chair from among the task force's members and may elect other officers as necessary.

(c) The task force must meet according to a schedule determined by the task force and may also meet at the call of the chair. The task force must meet as often as necessary to accomplish the duties listed under subdivision 5.

(d) Task force meetings are subject to the open meeting provisions of Minnesota Statutes, chapter 13D.

Subd. 5. **Duties.** The task force must:

(1) develop a strategy to reduce, each year, a targeted number of eligible households denied weatherization services due to unaddressed health, environmental, or structural hazards in the home;

(2) explore new sources of funding in order to increase the number of households receiving weatherization assistance services;

(3) analyze existing program models in other states that offer services that complement the Weatherization Assistance Program;

(4) analyze the current distribution of weatherization services across ethnic groups; among different regions of Minnesota; in urban, suburban, and rural areas; and with respect to other demographic factors in order to determine how to distribute weatherization services more equitably throughout Minnesota;

(5) discuss how additional funding would impact the ability of weatherization assistance service providers to provide weatherization assistance services to more eligible households;

(6) identify services that a supplemental funding program could provide to address necessary repairs to homes that the federal Weatherization Assistance Program requires before weatherization assistance is provided, but which cannot be funded with federal Weatherization Assistance Program funds; and

(7) examine other related issues the task force deems relevant.

Subd. 6. **Administrative support.** The commissioner must provide administrative support and physical or virtual meeting space needed to complete the task force's work.

Subd. 7. **Report.** No later than February 1, 2022, the task force must submit a report on the task force's findings and recommendations to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over energy. The report must include recommendations for legislation to supplement funding for the Weatherization Assistance Program.

Subd. 8. **Expiration.** This section expires April 15, 2022.

EFFECTIVE DATE. This section is effective July 1, 2021.

Sec. 30. **TRANSFER.**

Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), $5,000,000 in fiscal year 2022 and $5,000,000 in fiscal year 2023 are transferred from the renewable development account established under Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of administration for deposit in the state building energy conservation improvement account established in Minnesota Statutes, section 16B.86, to provide loans to state agencies for energy conservation projects under Minnesota Statutes, section 16B.87.

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

Sec. 31. **APPROPRIATION.**

Subdivision 1. **State building energy conservation loan account.** Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), $249,000 in fiscal year 2022 and $137,000 in fiscal year 2023 are appropriated from the renewable development account to the commissioner of administration for software and administrative costs associated with the state building energy conservation improvement revolving loan program under Minnesota Statutes, section 16B.87. The base in fiscal years 2024 and 2025 is $137,000.

Subd. 2. **Building energy codes.** $146,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of labor and industry to implement new commercial energy codes, as described in Minnesota Statutes, section 326B.106, subdivision 1. This is a onetime appropriation.

Subd. 3. **Rebuild right grants.** Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), $3,000,000 in fiscal year 2022 is appropriated from the renewable development account established under Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of commerce to award rebuild right grants to building owners, as described in Minnesota Statutes, section 216C.402. This is a onetime appropriation.

EFFECTIVE DATE. This section is effective July 1, 2021.

Sec. 32. **REPEALER.**

Minnesota Statutes 2020, section 216B.241, subdivisions 1, 1b, 2c, 4, and 10, are repealed.

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

ARTICLE 8
ENERGY TRANSITION

Section 1. **[116J.5491] ENERGY TRANSITION OFFICE.**

Subdivision 1. **Definitions.** (a) For purposes of sections 116J.5491 to 116J.5493, the following terms have the meanings given.

(b) "Impacted facility" means an electric generating unit that is or was owned by a public utility, as defined in section 216B.02, subdivision 4, and that:

(1) is currently operating and (i) is scheduled to cease operations, or (ii) whose cessation of operations has been proposed in an integrated resource plan filed with the Public Utilities Commission under section 216B.2422; or

(2) ceased operations or was removed from the local property tax base no earlier than five years before the effective date of this section.

(c) "Impacted community" means a municipality, Tribal government, or county in which an impacted facility is located.

(d) "Impacted worker" means a Minnesota resident:

(1) employed at an impacted facility and who is facing the loss of employment as a result of the impacted facility's retirement; or

(2) employed by a company that, under contract, regularly performs construction, maintenance, or repair work at an impacted facility, and who is facing the loss of employment or of work opportunities as a result of the impacted facility's retirement.

Subd. 2. **Office established; director.** (a) The Energy Transition Office is established in the Department of Employment and Economic Development.

(b) The director of the Energy Transition Office is appointed by the governor. The director must be qualified by experience in issues related to energy, economic development, and the environment.

(c) The office may employ staff necessary to carry out the duties required in this section.

Subd. 3. **Purpose.** The purpose of the office is to:

(1) address economic dislocations experienced by impacted workers after an impacted facility is retired;

(2) implement recommendations of the Minnesota energy transition plan developed in section 116J.5493;

(3) improve communication among local, state, federal, and private entities regarding impacted facility retirement planning and implementation;

(4) address local tax and fiscal issues related to the impacted facility's retirement and develop strategies to reduce economic dislocations of impacted communities and impacted workers; and

(5) assist the establishment and implementation of economic support programs, including but not limited to property tax revenue replacement, community energy transition programs, and economic development tools, for impacted communities and impacted workers.

Subd. 4. **Duties.** The office is authorized to:

(1) administer programs to support impacted communities and impacted workers;

(2) coordinate resources at local, state, and federal levels to support impacted communities and impacted workers that are subject to significant economic transition;

(3) coordinate the development of a statewide policy on impacted communities and impacted workers;

(4) deliver programs and resources to impacted communities and impacted workers;

(5) support impacted workers by establishing benefits and educating impacted workers on applying for benefits;

(6) act as a liaison among impacted communities, impacted workers, and state agencies;

(7) assist state agencies to (i) address local tax, land use, economic development, and fiscal issues related to an impacted facility's retirement, and (ii) develop strategies to support impacted communities and impacted workers;

(8) review existing programs supporting impacted workers and identify gaps that need to be addressed;

(9) support the activities of the energy transition advisory committee members;

(10) monitor transition efforts in other states and localities;

(11) identify impacted facility closures and estimate job losses and the effect on impacted communities and impacted workers;

(12) maintain communication regarding closure dates with all affected parties; and

(13) monitor and participate in administrative proceedings that affect the office's activities, including matters before the Public Utilities Commission, the Department of Commerce, the Department of Revenue, and other entities.

Subd. 5. **Reporting.** (a) Beginning January 15, 2023, and each year thereafter, the Energy Transition Office must submit a written report to the chairs and ranking minority members of the legislative committees with jurisdiction over energy, economic development, and tax policy and finance on the office's activities during the previous year.

(b) The report must contain:

(1) a list of impacted facility closures, projected associated job losses, and the effect on impacted communities and impacted workers;

(2) recommendations to support impacted communities and impacted workers;

(3) information on the administration of assistance programs administered by the office; and

(4) updates on implementation of the Minnesota energy transition plan.

Subd. 6. **Gifts; grants; donations.** The office may accept gifts and grants on behalf of the state that constitute donations to the state. Funds received under this subdivision are appropriated to the commissioner of employment and economic development to support the purposes of the office.

Sec. 2. **[116J.5492] ENERGY TRANSITION ADVISORY COMMITTEE.**

Subdivision 1. **Creation; purpose.** The Energy Transition Advisory Committee is established to develop a statewide energy transition plan and to advise the governor, the commissioner, and the legislature on transition issues, established transition programs, economic initiatives, and transition policy.

Subd. 2. **Membership.** (a) The advisory committee consists of 18 voting members and seven ex officio nonvoting members.

(b) The voting members of the advisory committee are appointed by the commissioner of employment and economic development, except as specified below:

(1) two members of the senate, one appointed by the majority leader of the senate and one appointed by the minority leader of the senate;

(2) two members of the house of representatives, one appointed by the speaker of the house of representatives and one appointed by the minority leader of the house of representatives;

(3) one representative of the Prairie Island Indian community;

(4) four representatives of impacted communities, of which two must represent counties and two must represent municipalities, and, to the extent possible, of the impacted facilities in those communities, at least one must be a coal plant, at least one must be a nuclear plant, and at least one must be a natural gas plant;

(5) three representatives of impacted workers at impacted facilities;

(6) one representative of impacted workers employed by companies that, under contract, regularly perform construction, maintenance, or repair work at an impacted facility;

(7) one representative with professional economic development or workforce retraining experience;

(8) two representatives of utilities that operate an impacted facility;

(9) one representative from a nonprofit organization with expertise and experience delivering energy efficiency and conservation programs; and

(10) one representative from the Coalition of Utility Cities.

(c) The ex officio nonvoting members of the advisory committee consist of:

(1) the governor or the governor's designee;

(2) the commissioner of employment and economic development or the commissioner's designee;

(3) the commissioner of commerce, or the commissioner's designee;

(4) the commissioner of labor and industry or the commissioner's designee;

(5) the commissioner of revenue or the commissioner's designee;

(6) the executive secretary of the Public Utilities Commission or the secretary's designee; and

(7) the commissioner of the Pollution Control Agency or the commissioner's designee.

Subd. 3. **Initial appointments and first meeting.** The appointing authorities must appoint the members of the advisory committee by August 1, 2021. The commissioner of employment and economic development must convene the first meeting by September 1, 2021, and must act as chair until the advisory committee elects a chair at the first meeting.

Subd. 4. **Officers.** The committee must elect a chair and vice-chair from among the voting members for terms of two years.

Subd. 5. **Open meetings.** Advisory committee meetings are subject to chapter 13D.

Subd. 6. **Conflict of interest.** An advisory committee member is prohibited from discussing or voting on issues relating to an organization in which the member has either a direct or indirect financial interest.

Subd. 7. **Gifts; grants; donations.** The advisory committee may accept gifts and grants on behalf of the state and that constitute donations to the state. Funds received under this subdivision are appropriated to the commissioner of employment and economic development to support the activities of the advisory committee.

Subd. 8. **Meetings.** The advisory committee must meet monthly until the energy transition plan is submitted to the governor and the legislature. The chair may call additional meetings as necessary.

Subd. 9. **Staff.** The Department of Employment and Economic Development shall serve as staff for the advisory committee.

Subd. 10. **Expiration.** This section expires the day after the Minnesota energy transition plan required under section 116J.5493 is submitted to the legislature and the governor.

Sec. 3. **[116J.5493] MINNESOTA ENERGY TRANSITION PLAN.**

(a) By July 1, 2022, the Energy Transition Advisory Committee established in section 116J.5492 must submit a statewide energy transition plan to the governor and the chairs and ranking minority members of the legislative committees having jurisdiction over economic development and energy.

(b) The energy transition plan must, at a minimum, for each impacted facility:

(1) identify the timing and location of impacted facility retirements and projected job losses in communities;

(2) analyze the estimated fiscal impact of impacted facility retirements on local governments;

(3) describe the statutes and administrative processes that govern how retired utility property impacts a local government tax base;

(4) review existing state programs that might support impacted communities and impacted workers, and a projection of how effective or ineffective the programs might be in responding to the effects of impacted facility retirements; and

(5) recommend how to effectively respond to the economic effects of impacted facility retirements.

Sec. 4. **[116J.5501] MINNESOTA INNOVATION FINANCE AUTHORITY.**

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

(b) "Authority" means the Minnesota Innovation Finance Authority.

(c) "Clean energy project" has the meaning given to qualified project in paragraph (j), clauses (1) to (4).

(d) "Credit enhancement" means a pool of capital set aside to cover potential losses on loans made by private lenders, including but not limited to loan loss reserves and loan guarantees.

(e) "Energy storage system" has the meaning given in section 216B.2422, subdivision 1, paragraph (f).

(f) "Fuel cell" means a cell that converts the chemical energy of hydrogen directly into electricity through electrochemical reactions.

(g) "Greenhouse gas emissions" has the meaning given to statewide greenhouse gas emissions in section 216H.01, subdivision 2.

(h) "Loan loss reserve" means a pool of capital set aside to reimburse a private lender if a customer defaults on a loan, up to an agreed upon percentage of loans originated by the private lender.

(i) "Microgrid system" means an electrical grid that serves a discrete geographical area from distributed energy resources and can operate independently from the central electric grid on a temporary basis.

(j) "Qualified project" means:

(1) a project, technology, product, service, or measure that:

(i) reduces energy use while providing the same level and quality of service or output obtained before the application of the project;

(ii) shifts the use of electricity by retail customers in response to changes in the price of electricity that vary over time, or other incentives designed to shift electricity demand from times when market prices are high or when system reliability is jeopardized; or

(iii) significantly reduces greenhouse gas emissions relative to greenhouse gas emissions produced before implementing the project, excluding projects that generate power from the combustion of fossil fuels;

(2) the development, construction, deployment, alteration, or repair of any:

(i) project, technology, product, service, or measure that generates electric power from renewable energy; or

(ii) distributed generation system, energy storage system, smart grid technology, microgrid system, fuel cell system, or combined heat and power system;

(3) the installation, construction, or use of end-use electric technology that replaces existing fossil fuel-based technology;

(4) a project, technology, product, service, or measure that supports the development and deployment of electric vehicle charging stations and associated infrastructure;

(5) agriculture projects that reduce net greenhouse gas emissions or improve climate resiliency, including but not limited to reforestation, afforestation, forestry management, and regenerative agriculture;

(6) the construction or enhancement of infrastructure that is planned, designed, and operated in a manner that anticipates, prepares for, and adapts to current and projected changing climate conditions so that the infrastructure withstands, responds to, and more readily recovers from disruptions caused by the current and projected changing climate conditions; and

(7) the development, construction, deployment, alteration, or repair of any project, technology, product, service, or measure that:

(i) reduces water use while providing the same or better level and quality of service or output that was obtained before implementing the water-saving approach; or

(ii) protects, restores, or preserves the quality of groundwater and surface waters, including but not limited to actions that further the purposes of the Clean Water Legacy Act, as provided in section 114D.10, subdivision 1.

(k) "Regenerative agriculture" means the deployment of farming methods that reduce agriculture's contribution to climate change by increasing the soil's ability to absorb atmospheric carbon and convert the atmospheric carbon to soil carbon.

(l) "Renewable energy" means energy generated from the following sources:

(1) solar;

(2) wind;

(3) geothermal;

(4) hydro;

(5) trees or other vegetation;

(6) anaerobic digestion of organic waste streams; and

(7) fuel cells using energy sources listed in this paragraph.

(m) "Smart grid" means a digital technology that allows for two-way communication between a utility and the utility's customers that enables the utility to control power flow and load in real time.

(n) "Task force" means the task force of the Minnesota Innovation Finance Authority.

Subd. 2. **Establishment; purpose.** (a) By October 15, 2021, the Minnesota Innovation Finance Authority Task Force established in this section must establish the Minnesota Innovation Finance Authority as a nonprofit corporation under chapter 317A and must seek designation as a charitable tax-exempt organization under section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

(b) When incorporated, the authority's purpose is to accelerate the deployment of clean energy and other qualified projects by reducing the upfront and total cost of adoption, which the authority achieves by leveraging existing public sources and additional private sources of capital through the strategic deployment of public funds in the form of loans, credit enhancements, and other financing mechanisms. The initial directors of the nonprofit corporation must include at least a majority of the members of the task force and must include, as nonvoting ex officio members, the commissioner of commerce or the commissioner's designee and the commissioner of employment and economic development or the commissioner's designee. The task force must engage independent legal counsel with relevant experience in nonprofit corporation law and clean energy financing.

(c) The Minnesota Innovation Finance Authority must:

(1) identify underserved markets for qualified projects in Minnesota, develop programs to overcome market impediments, and provide access to financing to serve the projects and underserved markets;

(2) strategically use authority funds to leverage private investment in qualified projects, achieving a high ratio of private to public funds invested through funding mechanisms that support, enhance, and complement private investment;

(3) coordinate with existing government- and utility-based programs to make the most efficient use of the authority's funds, ensure that financing terms and conditions offered are well-suited to qualified projects, and ensure the authority's activities add to and complement the efforts of these partners;

(4) stimulate demand for qualified projects by serving as a single point of access for a customer to obtain technical information on energy conservation and renewable energy measures, for contractors who install energy conservation and renewable energy measures, and for financing to reduce the upfront and total costs to borrowers, including through:

(i) serving as a clearinghouse for information about federal, state, and utility financial assistance for qualifying projects in targeted underserved markets, including coordinating efforts with the energy conservation programs administered by the customer's utility under section 216B.241 and other programs offered to low-income households;

(ii) forming partnerships with contractors and educating contractors regarding the authority's financing programs;

(iii) coordinating multiple contractors on projects that install multiple qualifying technologies; and

(iv) developing innovative marketing strategies to stimulate project owner interest in targeted underserved markets;

(5) develop rules, policies, and procedures specifying borrower eligibility and other terms and conditions of financial support offered by the authority;

(6) develop consumer protection standards governing the authority's investments to ensure the authority and partners provide financial support in a responsible and transparent manner that is in the financial interest of participating project owners;

(7) develop and administer policies to collect reasonable fees for authority services that are sufficient to support ongoing authority activities;

(8) develop and adopt a workplan to accomplish all of the activities required of the authority, and update the workplan on an annual basis; and

(9) establish and maintain a comprehensive website providing access to all authority programs and financial products, including rates, terms, and conditions of all financing support programs, unless disclosure of the information constitutes a trade secret or confidential commercial or financial information.

Subd. 3. **Additional authorized activities.** The authority is authorized to:

(1) engage in any activities of a Minnesota nonprofit corporation operating under chapter 317A;

(2) develop and employ the following financing methods to support qualified projects:

(i) credit enhancement mechanisms that reduce financial risk for private lenders by providing assurance that a limited portion of a loan is assumed by the authority by means of a loan loss reserve, loan guarantee, or other mechanism;

(ii) co-investment, in which the authority invests directly in a clean energy project through the provision of senior or subordinated debt, equity, or other mechanisms in conjunction with a private financier's investment; and

(iii) serve as an aggregator of many small and geographically dispersed qualified projects, in which the authority may provide direct lending, investment, or other financial support in order to diversify risk;

(3) serve as the designated state entity to apply for and accept federal funds authorized by Congress under a federal climate bank, federal green bank, or other similar entity, provided that the commissioner of commerce authorizes the application; and

(4) seek to qualify as a Community Development Financial Institution under United States Code, title 12, section 4702, in which case the authority must be treated as a qualified community development entity for the purposes of sections 45D and 1400(m) of the Internal Revenue Code.

Subd. 4. **Task force; membership.** (a) The task force of the Minnesota Innovation Finance Authority is established and consists of nine members as follows:

(1) the commissioner of commerce or the commissioner's designee, as a nonvoting ex officio member;

(2) the commissioner of employment and economic development or the commissioner's designee, as a nonvoting ex officio member;

(3) three additional members appointed by the governor;

(4) two additional members appointed by the speaker of the house of representatives; and

(5) two additional members appointed by the president of the senate.

(b) The members appointed to the task force under paragraph (a), clauses (3) to (5), must have expertise in matters relating to energy conservation, clean energy, economic development, banking, law, finance, or other matters relevant to the work of the task force. When appointing a member to the task force, consideration must be given to whether the task force members collectively reflect the geographical and ethnic diversity of Minnesota.

(c) Task force members must be appointed by August 15, 2021.

(d) The task force expires when the authority is established as a nonprofit corporation under chapter 317A.

Subd. 5. **Report.** By June 30, 2022, and by June 30 each year thereafter, the authority must submit a comprehensive annual report on the authority's activities to the governor and to the chairs and ranking minority members of the legislative committees with primary jurisdiction over energy policy. The report must contain, at a minimum, information on:

(1) the amount of authority capital invested, by project type;

(2) the amount of private capital leveraged as a result of authority investments, by project type;

(3) the number of qualified projects supported, by project type, and the location of the projects within Minnesota;

(4) the estimated number of jobs created and tax revenue generated as a result of the authority's activities;

(5) the number of clean energy projects financed in low- and moderate-income households; and

(6) the authority's financial statements.

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

Sec. 5. Minnesota Statutes 2020, section 216B.16, subdivision 6, is amended to read:

Subd. 6. **Factors considered, generally.** The commission, in the exercise of its powers under this chapter to determine just and reasonable rates for public utilities, shall give due consideration to the public need for adequate, efficient, and reasonable service and to the need of the public utility for revenue sufficient to enable it to meet the cost of furnishing the service, including adequate provision for depreciation of its utility property used and useful in rendering service to the public, and to earn a fair and reasonable return upon the investment in such property. In determining the rate base upon which the utility is to be allowed to earn a fair rate of return, the commission shall give due consideration to evidence of the cost of the property when first devoted to public use, to prudent acquisition cost to the public utility less appropriate depreciation on each, to construction work in progress, to offsets in the nature of capital provided by sources other than the investors, and to other expenses of a capital nature. For purposes of determining rate base, the commission shall consider the original cost of utility property included in the base and shall make no allowance for its estimated current replacement value. If the commission orders a generating facility to terminate its operations before the end of the facility's physical life in order to comply with a specific state or federal energy ~~statute or~~ policy, the commission may allow the public utility to recover any positive net book value of the facility as determined by the commission.

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

Sec. 6. Minnesota Statutes 2020, section 216B.16, subdivision 13, is amended to read:

Subd. 13. **Economic and community development.** The commission may allow a public utility to recover from ratepayers the reasonable expenses incurred (1) for economic and community development, and (2) to employ local workers to construct and maintain generation facilities that supply power to the utility's customers.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to dockets initiated at the Public Utilities Commission on or after that date.

Sec. 7. Minnesota Statutes 2020, section 216B.1645, subdivision 1, is amended to read:

Subdivision 1. **Commission authority.** Upon the petition of a public utility, the Public Utilities Commission shall approve or disapprove power purchase contracts, investments, or expenditures entered into or made by the utility to satisfy the wind and biomass mandates contained in sections 216B.169, 216B.2423, and 216B.2424, ~~and~~ to satisfy the renewable and solar energy ~~objectives and~~ standards set forth in section 216B.1691, and to provide additional clean energy resources beyond the proportions required by the mandates and standards, including reasonable investments and expenditures, net of revenues, made to:

(1) transmit the electricity generated from sources developed under those sections that is ultimately used to provide service to the utility's retail customers, including studies necessary to identify new transmission facilities needed to transmit electricity to Minnesota retail customers from generating facilities constructed to satisfy the renewable energy objectives and standards, provided that the costs of the studies have not been recovered previously under existing tariffs and the utility has filed an application for a certificate of need or for certification as a priority project under section 216B.2425 for the new transmission facilities identified in the studies;

(2) provide storage facilities for renewable energy generation facilities that contribute to the reliability, efficiency, or cost-effectiveness of the renewable facilities; or

(3) develop renewable energy sources from the account required in section 116C.779.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to dockets initiated at the Public Utilities Commission on or after that date.

Sec. 8. Minnesota Statutes 2020, section 216B.1645, subdivision 2, is amended to read:

Subd. 2. **Cost recovery.** The expenses incurred by the utility over the duration of the approved contract or useful life of the investment ~~and~~, expenditures made pursuant to section 116C.779 ~~shall be~~, and the expenses incurred to employ local workers to construct and maintain generation facilities that supply power to the utility's customers are recoverable from the ratepayers of the utility~~,~~ to the extent ~~they~~ the expenses or expenditures are not offset by utility revenues attributable to the contracts, investments, or expenditures, and if the expenses or expenditures are deemed reasonable by the commission. Upon petition by a public utility, the commission shall approve or approve as modified a rate schedule providing for the automatic adjustment of charges to recover the expenses or costs approved by the commission under subdivision 1, which, in the case of transmission expenditures, are limited to the portion of actual transmission costs that are directly allocable to the need to transmit power from the renewable sources of energy. The commission may not approve recovery of the costs for that portion of the power generated from sources governed by this section that the utility sells into the wholesale market.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to dockets initiated at the Public Utilities Commission on or after that date.

Sec. 9. Minnesota Statutes 2020, section 216B.1691, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) Unless otherwise specified in law, "eligible energy technology" means an energy technology that generates electricity from the following renewable energy sources:

(1) solar;

(2) wind;

(3) hydroelectric with a capacity of less than 100 megawatts;

(4) hydrogen~~, provided that after January 1, 2010, the hydrogen must be~~ generated from the resources listed in this paragraph; or

(5) biomass, which includes, without limitation, landfill gas; an anaerobic digester system; the predominantly organic components of wastewater effluent, sludge, or related by-products from publicly owned treatment works, but not including incineration of wastewater sludge to produce electricity; and, except as provided in subdivision 1a, an energy recovery facility used to capture the heat value of mixed municipal solid waste or refuse-derived fuel from mixed municipal solid waste as a primary fuel.

(b) "Electric utility" means a public utility providing electric service, a generation and transmission cooperative electric association, a municipal power agency, or a power district.

(c) "Total retail electric sales" means the kilowatt-hours of electricity sold in a year by an electric utility to retail customers of the electric utility or to a distribution utility for distribution to the retail customers of the distribution utility. "Total retail electric sales" does not include the sale of hydroelectricity supplied by a federal power marketing administration or other federal agency, regardless of whether the sales are directly to a distribution utility or are made to a generation and transmission utility and pooled for further allocation to a distribution utility.

(d) "Carbon-free" means a technology that generates electricity without emitting carbon dioxide.

(e) "Area of concern for environmental justice" means an area in Minnesota that meets one or more of the following conditions:

(1) 50 percent or more of the population is nonwhite, based on the most recent data published by the United States Census Bureau;

(2) 40 percent or more of the households have an income at or below 185 percent of the federal poverty level, based on the most recent data published by the United States Census Bureau; or

(3) is within Indian country, as defined in United State Code, title 18, section 1151.

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

Sec. 10. Minnesota Statutes 2020, section 216B.1691, is amended by adding a subdivision to read:

Subd. 1a. **Exception; solid waste incinerators.** (a) An energy recovery facility used to capture the heat value of mixed municipal solid waste or refuse-derived fuel from mixed municipal solid waste as a primary fuel is not an eligible energy technology, as defined in subdivision 1, if:

(1) air pollutants emitted by the facility are deposited in an environmental justice area; and

(2) the facility has a permitted maximum capacity of 1,000 tons per day or more.

(b) For the purposes of this subdivision, "environmental justice area" has the meaning given to area of concern for environmental justice under subdivision 1, paragraph (e).

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

Sec. 11. Minnesota Statutes 2020, section 216B.1691, subdivision 2a, is amended to read:

Subd. 2a. **Eligible energy technology standard.** ~~(a) Except as provided in paragraph (b),~~ Each electric utility shall generate or procure sufficient electricity generated by an eligible energy technology to provide its retail customers in Minnesota, or the retail customers of a distribution utility to which the electric utility provides wholesale electric service, so that at least the following standard percentages of the electric utility's total retail electric sales to retail customers in Minnesota are generated by eligible energy technologies by the end of the year indicated:

(1)	2012	12 percent
(2)	2016	17 percent
(3)	2020	20 percent
(4)	2025	~~25~~ 40 percent~~.~~
(5)	2035	55 percent.

~~(b) An electric utility that owned a nuclear generating facility as of January 1, 2007, must meet the requirements of this paragraph rather than paragraph (a). An electric utility subject to this paragraph must generate or procure sufficient electricity generated by an eligible energy technology to provide its retail customers in Minnesota or the retail customer of a distribution utility to which the electric utility provides wholesale electric service so that at least the following percentages of the electric utility's total retail electric sales to retail customers in Minnesota are generated by eligible energy technologies by the end of the year indicated:~~

~~(1)~~	~~2010~~	~~15 percent~~
~~(2)~~	~~2012~~	~~18 percent~~
~~(3)~~	~~2016~~	~~25 percent~~
~~(4)~~	~~2020~~	~~30 percent.~~

~~Of the 30 percent in 2020, at least 25 percent must be generated by solar energy or wind energy conversion systems and the remaining five percent by other eligible energy technology. Of the 25 percent that must be generated by wind or solar, no more than one percent may be solar generated and the remaining 24 percent or greater must be wind generated.~~

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

Sec. 12. Minnesota Statutes 2020, section 216B.1691, subdivision 2b, is amended to read:

Subd. 2b. **Modification or delay of standard.** (a) The commission shall modify or delay the implementation of a standard obligation under subdivision 2a, 2f, or 2g, in whole or in part, if the commission determines it is in the public interest to do so. The commission, when requested to modify or delay implementation of a standard, must consider:

(1) the impact of implementing the standard on its customers' utility costs, including the economic and competitive pressure on the utility's customers;

(2) the environmental costs that would be incurred as a result of a delay or modification, based on the full range of environmental cost values established in section 216B.2422, subdivision 3;

~~(2)~~ (3) the effects of implementing the standard on the reliability of the electric system;

~~(3)~~ (4) technical advances or technical concerns;

~~(4)~~ (5) delays in acquiring sites or routes due to rejection or delays of necessary siting or other permitting approvals;

~~(5)~~ (6) delays, cancellations, or nondelivery of necessary equipment for construction or commercial operation of an eligible energy technology facility;

~~(6)~~ (7) transmission constraints preventing delivery of service; ~~and~~

~~(7)~~ (8) other statutory obligations imposed on the commission or a utility; and

(9) impacts on areas of concern for environmental justice.

The commission may modify or delay implementation of a standard obligation under clauses (1) to ~~(3)~~ (4) only if it finds implementation would cause significant rate impact, requires significant measures to address reliability, or raises significant technical issues. The commission may modify or delay implementation of a standard obligation under clauses ~~(4)~~ (5) to ~~(6)~~ (7) only if it finds that the circumstances described in those clauses were due to circumstances beyond an electric utility's control and make compliance not feasible.

(b) When evaluating transmission capacity constraints under paragraph (a), clause (7), the commission must consider whether the utility has:

(1) undertaken reasonable measures under the utility's control and consistent with the utility's obligations under local, state, and federal laws and regulations, and the utility's obligations as a member of a regional transmission organization or independent system operator, to acquire sites, necessary permit approvals, and necessary equipment to develop and construct new transmission lines or upgrade existing transmission lines to transmit electricity generated by eligible energy technologies; and

(2) taken all reasonable operational measures to maximize cost-effective electricity delivery from eligible energy technologies in advance of transmission availability.

~~(b)~~ (c) When considering whether to delay or modify implementation of a standard obligation, the commission must give due consideration to a preference for electric generation through use of eligible energy technology and to the achievement of the standards set by this section.

~~(c)~~ (d) An electric utility requesting a modification or delay in the implementation of a standard must file a plan to comply with its standard obligation in the same proceeding ~~that~~ in which it ~~is requesting~~ requests the delay.

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

Sec. 13. Minnesota Statutes 2020, section 216B.1691, subdivision 2d, is amended to read:

Subd. 2d. **Commission order.** The commission shall issue necessary orders detailing the criteria and standards ~~by which it will~~ used to measure an electric utility's efforts to meet the renewable energy ~~objectives of subdivision 2~~ standards under subdivisions 2a, 2f, and 2g, and to determine whether the utility is ~~making the required good faith~~

~~effort~~ achieving the standards. In this order, the commission shall include criteria and standards that protect against undesirable impacts on the reliability of the utility's system and economic impacts on the utility's ratepayers and that consider technical feasibility.

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

Sec. 14. Minnesota Statutes 2020, section 216B.1691, subdivision 2e, is amended to read:

Subd. 2e. **Rate impact of standard compliance; report.** Each electric utility must submit to the commission and the legislative committees with primary jurisdiction over energy policy a report containing an estimation of the rate impact of activities of the electric utility necessary to comply with this section. In consultation with the Department of Commerce, the commission shall determine a uniform reporting system to ensure that individual utility reports are consistent and comparable, and shall, by order, require each electric utility subject to this section to use that reporting system. The rate impact estimate must be for wholesale rates and, if the electric utility makes retail sales, the estimate shall also be for the impact on the electric utility's retail rates. Those activities include, without limitation, energy purchases, generation facility acquisition and construction, and transmission improvements. ~~An initial report must be submitted within 150 days of May 28, 2011. After the initial report,~~ A report must be updated and submitted as part of each integrated resource plan or plan modification filed by the electric utility under section 216B.2422. The reporting obligation of an electric utility under this subdivision expires December 31, ~~2025, for an electric utility subject to subdivision 2a, paragraph (a), and December 31, 2020, for an electric utility subject to subdivision 2a, paragraph (b)~~ 2040.

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

Sec. 15. Minnesota Statutes 2020, section 216B.1691, subdivision 2f, is amended to read:

Subd. 2f. **Solar energy standard.** (a) In addition to the requirements of subdivisions 2a and ~~2b~~ 2g, each public utility shall generate or procure sufficient electricity generated by solar energy to serve its retail electricity customers in Minnesota so that by the end of 2020, at least 1.5 percent of the utility's total retail electric sales to retail customers in Minnesota is generated by solar energy.

(b) For a public utility with more than 200,000 retail electric customers, at least ten percent of the 1.5 percent goal must be met by solar energy generated by or procured from solar photovoltaic devices with a nameplate capacity of 40 kilowatts or less.

(c) A public utility with between 50,000 and 200,000 retail electric customers:

(1) must meet at least ten percent of the 1.5 percent goal with solar energy generated by or procured from solar photovoltaic devices with a nameplate capacity of 40 kilowatts or less; and

(2) may apply toward the ten percent goal in clause (1) individual customer subscriptions of 40 kilowatts or less to a community solar garden program operated by the public utility that has been approved by the commission.

(d) The solar energy standard established in this subdivision is subject to all the provisions of this section governing a utility's standard obligation under subdivision 2a.

(e) It is an energy goal of the state of Minnesota that, by 2030, ten percent of the retail electric sales in Minnesota be generated by solar energy.

(f) For the purposes of calculating the total retail electric sales of a public utility under this subdivision, there shall be excluded retail electric sales to customers that are:

(1) an iron mining extraction and processing facility, including a scram mining facility as defined in Minnesota Rules, part 6130.0100, subpart 16; or

(2) a paper mill, wood products manufacturer, sawmill, or oriented strand board manufacturer.

Those customers may not have included in the rates charged to them by the public utility any costs of satisfying the solar standard specified by this subdivision.

(g) A public utility may not use energy used to satisfy the solar energy standard under this subdivision to satisfy its standard obligation under subdivision 2a. A public utility may not use energy used to satisfy the standard obligation under subdivision 2a to satisfy the solar standard under this subdivision.

(h) Notwithstanding any law to the contrary, a solar renewable energy credit associated with a solar photovoltaic device installed and generating electricity in Minnesota after August 1, 2013, but before 2020 may be used to meet the solar energy standard established under this subdivision.

~~(i) Beginning July 1, 2014, and each July 1 through 2020, each public utility shall file a report with the commission reporting its progress in achieving the solar energy standard established under this subdivision.~~

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

Sec. 16. Minnesota Statutes 2020, section 216B.1691, is amended by adding a subdivision to read:

Subd. 2g. **Carbon-free standard.** In addition to the requirements under subdivisions 2a and 2f, each electric utility must generate or procure sufficient electricity generated from a carbon-free energy technology to provide the utility's retail customers in Minnesota, or the retail customers of a distribution utility to which the electric utility provides wholesale electric service, so that at least the following standard percentages of the electric utility's total retail electric sales to retail customers in Minnesota are generated from carbon-free energy technologies by the end of the year indicated:

(1)	2025	65 percent
(2)	2030	80 percent
(3)	2035	90 percent
(4)	2040	100 percent.

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

Sec. 17. Minnesota Statutes 2020, section 216B.1691, subdivision 3, is amended to read:

Subd. 3. **Utility plans filed with commission.** (a) Each electric utility shall report on its plans, activities, and progress with regard to the ~~objectives and standards of~~ standard obligations under this section in its filings under section 216B.2422 or in a separate report submitted to the commission every two years, whichever is more frequent, demonstrating to the commission the utility's effort to comply with this section. In its resource plan or a separate report, each electric utility shall provide a description of:

(1) the status of the utility's renewable energy mix relative to the ~~objective and standards~~ standard obligations;

(2) efforts taken to meet the ~~objective and standards~~ standard obligations;

(3) any obstacles encountered or anticipated in meeting the ~~objective or standards; and~~ standard obligations;

(4) potential solutions to the obstacles~~.~~;

(5) the number of Minnesotans employed to construct facilities designed to meet the utility's standard obligations under this section;

(6) efforts taken to retain and retrain workers employed at electric generating facilities that the utility has ceased operating or designated to cease operating for new positions constructing or operating facilities to meet a utility's standard obligation;

(7) impacts of facilities designed to meet the utility's standard obligations under this section on areas of concern for environmental justice; and

(8) efforts to increase the diversity of both its workforce and vendors.

(b) The commissioner shall compile the information provided to the commission under paragraph (a), and report to the chairs of the house of representatives and senate committees with jurisdiction over energy and environment policy issues as to the progress of utilities in the state, including the progress of each individual electric utility, in increasing the amount of renewable energy provided to retail customers, with any recommendations for regulatory or legislative action, by January 15 of each odd-numbered year.

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

Sec. 18. Minnesota Statutes 2020, section 216B.1691, subdivision 4, is amended to read:

Subd. 4. **Renewable energy credits.** (a) To facilitate compliance with this section, the commission, by rule or order, shall establish by January 1, 2008, a program for tradable renewable energy credits for electricity generated by eligible energy technology. The credits must represent energy produced by an eligible energy technology, as defined in subdivision 1. Each kilowatt-hour of renewable energy credits must be treated the same as a kilowatt-hour of eligible energy technology generated or procured by an electric utility if it is produced by an eligible energy technology. The program must permit a credit to be used only once. The program must treat all eligible energy technology equally and shall not give more or less credit to energy based on the state where the energy was generated or the technology with which the energy was generated. The commission must determine the period in which the credits may be used for purposes of the program.

(b) In lieu of generating or procuring energy directly to satisfy ~~the eligible energy technology objective or~~ a standard ~~of~~ obligation under this section, an electric utility may utilize renewable energy credits allowed under the program to satisfy the ~~objective or~~ standard.

(c) The commission shall facilitate the trading of renewable energy credits between states.

(d) The commission shall require all electric utilities to participate in a commission-approved credit-tracking system or systems. Once a credit-tracking system is in operation, the commission shall issue an order establishing protocols for trading credits.

~~(e) An electric utility subject to subdivision 2a, paragraph (b), may not sell renewable energy credits to an electric utility subject to subdivision 2a, paragraph (a), until 2021.~~

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

Sec. 19. Minnesota Statutes 2020, section 216B.1691, subdivision 5, is amended to read:

Subd. 5. **Technology based on fuel combustion.** (a) Electricity produced by fuel combustion through fuel blending or co-firing under paragraph (b) may only count toward a utility's ~~objectives or standards~~ standard obligation if the generation facility:

(1) was constructed in compliance with new source performance standards promulgated under the federal Clean Air Act, United States Code, title 42, section 7401 et seq., for a generation facility of that type; or

(2) employs the maximum achievable or best available control technology available for a generation facility of that type.

(b) An eligible energy technology may blend or co-fire a fuel listed in subdivision 1, paragraph (a), clause (5), with other fuels in the generation facility, but only the percentage of electricity that is attributable to a fuel listed in that clause can be counted toward an electric utility's ~~renewable energy objectives~~ standard obligation.

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

Sec. 20. Minnesota Statutes 2020, section 216B.1691, subdivision 7, is amended to read:

Subd. 7. **Compliance.** The commission must regularly investigate whether an electric utility is in compliance with its ~~good faith objective under subdivision 2 and~~ standard obligation under ~~subdivision~~ subdivisions 2a, 2f, and 2g. If the commission finds noncompliance, it may order the electric utility to construct facilities, purchase energy generated by eligible energy technology, purchase renewable energy credits, or engage in other activities to achieve compliance. If an electric utility fails to comply with an order under this subdivision, the commission may impose a financial penalty on the electric utility in an amount not to exceed the estimated cost of the electric utility to achieve compliance. The penalty may not exceed the lesser of the cost of constructing facilities or purchasing credits. The commission must deposit financial penalties imposed under this subdivision in the energy and conservation account established in the special revenue fund under section 216B.241, subdivision 2a. This subdivision is in addition to and does not limit any other authority of the commission to enforce this section.

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

Sec. 21. Minnesota Statutes 2020, section 216B.1691, subdivision 9, is amended to read:

Subd. 9. **Local benefits.** (a) The commission shall take all reasonable actions within its statutory authority to ensure this section is implemented ~~to maximize~~ in a manner that maximizes net benefits to all Minnesota citizens~~,~~ ~~balancing~~ throughout the state, including but not limited to:

(1) the creation of high-quality jobs in Minnesota paying wages that support families;

(2) recognition of the rights of workers to organize and unionize;

(3) ensuring that workers have the necessary tools, opportunities, and economic assistance to adapt successfully during the energy transition, particularly in areas of concern for environmental justice;

(4) ensuring that all Minnesotans share the benefits of clean and renewable energy, and the opportunity to participate fully in the clean energy economy;

(5) ensuring that statewide air emissions are reduced, particularly in areas of concern for environmental justice; and

(6) the provision of affordable electric service to Minnesotans, particularly to low-income consumers.

(b) The commission must also implement this section in a manner that balances factors such as local ownership of or participation in energy production, development and ownership of eligible energy technology facilities by independent power producers, Minnesota utility ownership of eligible energy technology facilities, the costs of energy generation to satisfy the renewable ~~standard~~ and carbon-free standards, and the reliability of electric service to Minnesotans.

(c) When making investments to meet the requirements under this section, utilities are encouraged to locate new energy generating facilities in Minnesota communities where fossil-fuel generating plants have been retired or are scheduled for retirement.

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

Sec. 22. Minnesota Statutes 2020, section 216B.1691, subdivision 10, is amended to read:

Subd. 10. **Utility acquisition of resources.** A competitive resource acquisition process established by the commission prior to June 1, 2007, shall not apply to a utility for the construction, ownership, and operation of generation facilities used to satisfy the requirements of this section unless, upon a finding that it is in the public interest, the commission issues an order on or after June 1, 2007, that requires compliance by a utility with a competitive resource acquisition process. A utility that owns a nuclear generation facility and intends to construct, own, or operate facilities under this section shall file with the commission ~~on or before March 1, 2008,~~ as part of the utility's filing under section 216B.2422 a renewable energy plan setting forth the manner in which the utility proposes to meet the requirements of this section. ~~The utility shall update the plan as necessary in its filing under section 216B.2422.~~ The commission shall approve the plan unless it determines, after public hearing and comment, that the plan is not in the public interest. As part of its determination of public interest, the commission shall consider the plan's impact on balancing the state's interest in:

(1) promoting the policy of economic development in rural areas through the development of renewable energy projects, as expressed in subdivision 9;

(2) maintaining the reliability of the state's electric power grid; and

(3) minimizing cost impacts on ratepayers.

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

Sec. 23. Minnesota Statutes 2020, section 216B.2422, subdivision 1, is amended to read:

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

(b) "Utility" means an entity with the capability of generating 100,000 kilowatts or more of electric power and serving, either directly or indirectly, the needs of 10,000 retail customers in Minnesota. Utility does not include federal power agencies.

(c) "Renewable energy" means electricity generated through use of any of the following resources:

(1) wind;

(2) solar;

(3) geothermal;

(4) hydro;

(5) trees or other vegetation;

(6) landfill gas; or

(7) predominantly organic components of wastewater effluent, sludge, or related by-products from publicly owned treatment works, but not including incineration of wastewater sludge.

(d) "Resource plan" means a set of resource options that a utility could use to meet the service needs of its customers over a forecast period, including an explanation of the supply and demand circumstances under which, and the extent to which, each resource option would be used to meet those service needs. These resource options include using, refurbishing, and constructing utility plant and equipment, buying power generated by other entities, controlling customer loads, and implementing customer energy conservation.

(e) "Refurbish" means to rebuild or substantially modify an existing electricity generating resource of 30 megawatts or greater.

(f) "Energy storage system" means a commercially available technology that:

(1) uses mechanical, chemical, or thermal processes to:

(i) store energy, ~~including energy generated from renewable resources and energy that would otherwise be wasted,~~ and deliver the stored energy for use at a later time; or

(ii) store thermal energy for direct use for heating or cooling at a later time in a manner that reduces the demand for electricity at the later time;

~~(2) is composed of stationary equipment;~~

~~(3)~~ (2) if being used for electric grid benefits, is (i) operationally visible to the distribution or transmission entity managing it, and (ii) capable of being controlled by the distribution or transmission entity ~~managing it,~~ to enable and optimize the safe and reliable operation of the electric system; and

~~(4)~~ (3) achieves any of the following:

(i) reduces peak or electrical demand;

(ii) defers the need or substitutes for an investment in electric generation, transmission, or distribution assets;

(iii) improves the reliable operation of the electrical transmission or distribution systems~~, while ensuring transmission or distribution needs are not created~~; ~~or~~ and

(iv) ~~lowers customer costs~~ produces a net ratepayer benefit by storing energy when the cost of generating or purchasing ~~it~~ energy is low and delivering ~~it~~ energy to customers when the costs are high.

(g) Clean energy resource means:

(1) renewable energy, as defined in section 216B.2422, subdivision 1, paragraph (c);

(2) an energy storage system storing energy generated by renewable energy or a carbon-free resource;

(3) energy efficiency, as defined in section 216B.241, subdivision 1;

(4) load management, as defined in section 216B.241, subdivision 1; or

(5) a carbon-free resource that the commission has determined is cost competitive under subdivision 4, paragraph (g).

(h) "Carbon-free resource" means a generation technology that, when operating, does not contribute to statewide greenhouse gas emissions, as defined in section 216H.01, subdivision 2.

(i) "Nonrenewable energy facility" means a generation facility that does not use a renewable energy or other clean energy resource. Nonrenewable facility does not include a nuclear facility.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to dockets initiated at the Public Utilities Commission on or after that date.

Sec. 24. Minnesota Statutes 2020, section 216B.2422, subdivision 2, is amended to read:

Subd. 2. **Resource plan filing and approval.** (a) A utility shall file a resource plan with the commission periodically in accordance with rules adopted by the commission. The commission shall approve, reject, or modify the plan of a public utility, as defined in section 216B.02, subdivision 4, consistent with the public interest.

(b) In the resource plan proceedings of all other utilities, the commission's order shall be advisory and the order's findings and conclusions shall constitute prima facie evidence which may be rebutted by substantial evidence in all other proceedings. With respect to utilities other than those defined in section 216B.02, subdivision 4, the commission shall consider the filing requirements and decisions in any comparable proceedings in another jurisdiction.

(c) As a part of its resource plan filing, a utility shall include the least cost plan for meeting 50 ~~and~~, 75, and 100 percent of all energy needs from both new and refurbished generating facilities through a combination of ~~conservation and renewable~~ clean energy and carbon-free resources.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to dockets initiated at the Public Utilities Commission on or after that date.

Sec. 25. Minnesota Statutes 2020, section 216B.2422, is amended by adding a subdivision to read:

Subd. 2d. **Plan to minimize impacts to workers due to facility retirement.** A utility required to file a resource plan under subdivision 2 that has scheduled the retirement of an electric generating facility located in Minnesota must include in the filing a narrative describing the utility's efforts, in conjunction with the utility's workers and the workers' designated representatives, to develop a plan to minimize the dislocations employees may suffer as a result of the facility's retirement. The narrative must address, at a minimum, plans to:

(1) minimize financial losses to workers;

(2) provide a transition timeline to ensure certainty for workers;

(3) protect pension benefits;

(4) extend or replace health insurance, life insurance, and other employment benefits;

(5) identify and maximize employment opportunities within the utility for dislocated workers, including providing incentives for the utility to retain as many workers as possible;

(6) provide training and skill development for workers who must or choose to leave the utility;

(7) create targeted transition plans for workers at all locations impacted by the facility retirement; and

(8) quantify any additional costs the utility would incur and specifying what costs, if any, the utility would request be recovered in the utility's rates as a result of efforts made under this subdivision to minimize impacts to workers.

Sec. 26. Minnesota Statutes 2020, section 216B.2422, subdivision 3, is amended to read:

Subd. 3. **Environmental costs.** (a) The commission shall, ~~to the extent practicable~~ using the best available scientific and economic information and data, quantify and establish a range of environmental costs associated with each method of electricity generation. The commission shall adopt and apply the interim cost of greenhouse gas emissions valuations presented in Technical Support Document: Social Cost of Carbon, Methane, and Nitrous Oxide Interim Estimates, released by the federal government in February 2021, adopting the 300-year time horizon and the full range of discount rates from 2.5 to five percent, with three percent as the central estimate, and shall update the parameters as necessary to conform with updates released by the federal Interagency Working Group on the Social Cost of Greenhouse Gases or successors that are above the February 2021 interim valuations.

(b) When evaluating and selecting resource options in all proceedings before the commission, including but not limited to proceedings regarding power purchase agreements, resource plans, and certificates of need, a utility ~~shall~~ must use the values established by the commission ~~in conjunction with other external factors, including socioeconomic costs, when evaluating and selecting resource options in all proceedings before the commission, including resource plan and certificate of need proceedings.~~ under this subdivision to quantify and monetize greenhouse gas and other emissions from the full lifecycle of fuels used for in-state or imported electricity generation, including extraction, processing, transport, and combustion.

(c) When evaluating resource options, the commission must include and consider the environmental cost values adopted under this subdivision. When considering the costs of a nonrenewable energy facility under this section, the commission must consider only nonzero values for the environmental costs analyzed under this subdivision, including both the low and high values of any cost range adopted by the commission.

~~(b) The commission shall establish interim environmental cost values associated with each method of electricity generation by March 1, 1994. These values expire on the date the commission establishes environmental cost values under paragraph (a).~~

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to dockets initiated at the Public Utilities Commission on or after that date.

Sec. 27. Minnesota Statutes 2020, section 216B.2422, is amended by adding a subdivision to read:

Subd. 3a. **Favored electric resources; state policy.** It is the policy of the state that: (1) in order to hasten the achievement of the greenhouse gas reduction goals under section 216H.02, the renewable energy standard under section 216B.1691, subdivision 2a, and the solar energy standard under section 216B.1691, subdivision 2f; and (2) given the significant and continuing reductions in the cost of wind technologies, solar technologies, energy storage systems, demand-response technologies, and energy efficiency technologies and strategies, the favored method to meet electricity demand in Minnesota is a combination of clean energy resources.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to dockets initiated at the Public Utilities Commission on or after that date.

Sec. 28. Minnesota Statutes 2020, section 216B.2422, subdivision 4, is amended to read:

Subd. 4. **Preference for ~~renewable~~ clean energy ~~facility~~ resources.** (a) The commission shall not approve a new or refurbished nonrenewable energy facility in an integrated resource plan or a certificate of need, pursuant to section 216B.243, nor shall the commission approve a power purchase agreement or allow rate recovery pursuant to section 216B.16 for ~~such~~ a nonrenewable energy facility, unless the utility has demonstrated by clear and convincing evidence that a renewable energy facility, alone or in combination with other clean energy resources, is not in the public interest. ~~When making the public interest determination, the commission must consider:~~

~~(1) whether the resource plan helps the utility achieve the greenhouse gas reduction goals under section 216H.02, the renewable energy standard under section 216B.1691, or the solar energy standard under section 216B.1691, subdivision 2f;~~

~~(2) impacts on local and regional grid reliability;~~

~~(3) utility and ratepayer impacts resulting from the intermittent nature of renewable energy facilities, including but not limited to the costs of purchasing wholesale electricity in the market and the costs of providing ancillary services; and~~

~~(4) utility and ratepayer impacts resulting from reduced exposure to fuel price volatility, changes in transmission costs, portfolio diversification, and environmental compliance costs.~~

(b) In order to determine that a renewable energy facility, alone or in combination with other clean energy resources, is not in the public interest, the commission must find by clear and convincing evidence that using renewable or clean energy resources to meet the need for resources is not affordable or reliable when compared with a nonrenewable energy facility or nonclean energy resource.

(c) When determining whether a renewable or clean energy resource is not affordable, the commission must consider utility and ratepayer effects resulting from:

(1) the intermittent nature of renewable energy facilities, including but not limited to the cost to purchase wholesale electricity in the market and the cost to provide ancillary services;

(2) reduced exposure to fuel price volatility, changes in transmission and distribution costs, portfolio diversification, and environmental compliance costs; and

(3) other environmental costs resulting from a nonrenewable energy facility, as determined by the commission under subdivision 3.

(d) When determining whether a renewable or clean energy resource is reliable, the commission must consider, to the extent reasonable, the ability of the resources or facilities of the utility and the regional electric grid to provide essential reliability services, including frequency response, balancing services, and voltage control.

(e) The commission must make a written determination describing the commission's findings and the reasoning behind the conclusions regarding whether a renewable or clean energy resource is affordable and reliable under this subdivision. When making the public interest determination under paragraph (a), the commission must also consider and make a written determination as to whether the energy resources approved by the commission:

(1) help the state achieve the greenhouse gas reduction goals under section 216H.02; and

(2) help the utility achieve the renewable energy standard under section 216B.1691, subdivision 2a, or the solar energy standard under section 216B.1691, subdivision 2f.

(f) Nothing in this section impacts a decision to continue operating a nuclear facility that is generating energy in Minnesota as of June 1, 2020. If a decision is made to retire an existing nuclear electric generating unit, paragraphs (a) to (e) govern the process to identify replacement resources.

(g) The commission may, by order, add to the list of resources the commission determines are clean energy resources for the purposes of this section upon finding that the resource is carbon-free and cost competitive when compared with other carbon-free alternatives.

(h) If the commission approves a public utility's integrated resource plan that includes the retirement of a facility that contributes to statewide greenhouse gas emissions, the public utility is entitled to own at least a portion of the generation, transmission, and other facilities necessary to replace the accredited capacity and energy of the retiring facility, as determined by the commission, provided that:

(1) for a public utility with more than 200,000 retail electric customers in Minnesota, the approved resource plan projects that the public utility's contribution to statewide greenhouse gas emissions are reduced by 80 percent or more, measured from 2005 to 2030;

(2) for a public utility with more than 100,000 but fewer than 200,000 retail electric customers, the approved resource plan projects that the public utility's contribution to statewide greenhouse gas emissions are reduced by 80 percent or more, measured from 2005 to 2035;

(3) for a public utility with fewer than 100,000 retail electric customers in Minnesota, the approved resource plan projects that the public utility's contribution to statewide greenhouse gas emissions are reduced by 65 percent or more, measured from 2005 to 2030; and

(4) the commission determines that the public utility's ownership of clean energy and carbon-free resources that replace retired facilities is reasonable and in the public interest.

(i) Utility purchases or contracts to purchase capacity, energy, or ancillary services from an independent systems operator, an auction, or other market administered by an independent systems operator, and whose term is one year or less, are not subject to this subdivision.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to dockets initiated at the Public Utilities Commission on or after that date.

Sec. 29. Minnesota Statutes 2020, section 216B.2422, is amended by adding a subdivision to read:

Subd. 4a. **Preference for local job creation.** As part of a resource plan filing, a utility must report on associated local job impacts and the steps the utility and the utility's energy suppliers and contractors are taking to maximize the availability of construction employment opportunities for local workers. The commission must consider local job impacts and give preference to proposals that maximize the creation of construction employment opportunities for local workers, consistent with the public interest, when evaluating any utility proposal that involves the selection or construction of facilities used to generate or deliver energy to serve the utility's customers, including but not limited to an integrated resource plan, a certificate of need, a power purchase agreement, or commission approval of a new or refurbished electric generation facility. The commission must, to the maximum extent possible, prioritize the hiring of workers from communities hosting retiring electric generation facilities, including workers previously employed at those facilities.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to dockets initiated at the Public Utilities Commission on or after that date.

Sec. 30. Minnesota Statutes 2020, section 216B.2422, subdivision 5, is amended to read:

Subd. 5. **Bidding; exemption from certificate of need proceeding.** (a) A utility may select resources to meet its projected energy demand through a bidding process approved or established by the commission. A utility shall use the environmental cost estimates determined under subdivision 3 ~~in~~ and consider local job impacts when evaluating bids submitted in a process established under this subdivision.

(b) Notwithstanding any other provision of this section, if an electric power generating plant, as described in section 216B.2421, subdivision 2, clause (1), is selected in a bidding process approved or established by the commission, a certificate of need proceeding under section 216B.243 is not required.

(c) A certificate of need proceeding is also not required for an electric power generating plant that has been selected in a bidding process approved or established by the commission, or such other selection process approved by the commission, to satisfy, in whole or in part, the wind power mandate of section 216B.2423 or the biomass mandate of section 216B.2424.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to dockets initiated at the Public Utilities Commission on or after that date.

Sec. 31. Minnesota Statutes 2020, section 216B.2422, is amended by adding a subdivision to read:

Subd. 8. **Transmission planning in advance of generation retirement.** A utility must identify in a resource plan each nonrenewable energy facility on the utility's system that has a depreciation term, probable service life, or operating license term that ends within 15 years of the resource plan filing date. For each nonrenewable energy facility identified, the utility must include in the resource plan an initial plan to: (1) replace the nonrenewable energy facility; and (2) upgrade any transmission or other grid capabilities needed to support the retirement of that nonrenewable energy facility.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to dockets initiated at the Public Utilities Commission on or after that date.

Sec. 32. **[216B.2427] NATURAL GAS UTILITY INNOVATION PLANS.**

Subdivision 1. **Definitions.** (a) For the purposes of this section and section 216B.2428, the following terms have the meanings given.

(b) "Biogas" means gas produced by the anaerobic digestion of biomass, gasification of biomass, or other effective conversion processes.

(c) "Carbon capture" means the capture of greenhouse gas emissions that would otherwise be released into the atmosphere.

(d) "Carbon-free resource" means an electricity generation facility whose operation does not contribute to statewide greenhouse gas emissions, as defined in section 216H.01, subdivision 2.

(e) "District energy" means a heating or cooling system that is solar thermal powered or that uses the constant temperature of the earth or underground aquifers as a thermal exchange medium to heat or cool multiple buildings connected through a piping network.

(f) "Energy efficiency" has the meaning given in section 216B.241, subdivision 1, paragraph (f), but does not include energy conservation investments that the commissioner determines could reasonably be included in a utility's conservation improvement program.

(g) "Greenhouse gas emissions" means emissions of carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride emitted by anthropogenic sources within Minnesota and from the generation of electricity imported from outside the state and consumed in Minnesota, excluding carbon dioxide that is injected into geological formations to prevent its release to the atmosphere in compliance with applicable laws.

(h) "Innovative resource" means biogas, renewable natural gas, power-to-hydrogen, power-to-ammonia, carbon capture, strategic electrification, district energy, and energy efficiency.

(i) "Lifecycle greenhouse gas emissions" means the aggregate greenhouse gas emissions resulting from the production, processing, transmission, and consumption of an energy resource.

(j) "Lifecycle greenhouse gas emissions intensity" means lifecycle greenhouse gas emissions per unit of energy.

(k) "Nonexempt customer" means a utility customer that has not been included in a utility's innovation plan under subdivision 3, paragraph (f).

(l) "Power-to-ammonia" means the production of ammonia from hydrogen produced via power-to-hydrogen using a process that has a lower lifecycle greenhouse gas intensity than does natural gas produced from conventional geologic sources.

(m) "Power-to-hydrogen" means the use of electricity generated by a carbon-free resource to produce hydrogen.

(n) "Renewable energy" has the meaning given in section 216B.2422, subdivision 1.

(o) "Renewable natural gas" means biogas that has been processed to be interchangeable with, and that has a lower lifecycle greenhouse gas intensity than, natural gas produced from conventional geologic sources.

(p) "Solar thermal" has the meaning given to qualifying solar thermal project in section 216B.2411, subdivision 2, paragraph (d).

(q) "Strategic electrification" means the installation of electric end-use equipment in an existing building in which natural gas is a primary or back-up fuel source, or in a newly constructed building in which a customer receives natural gas service for one or more end-uses, provided that the electric end-use equipment:

(1) results in a net reduction in statewide greenhouse gas emissions, as defined in section 216H.01, subdivision 2, over the life of the equipment when compared to the most efficient commercially available natural gas alternative; and

(2) is installed and operated in a manner that improves the load factor of the customer's electric utility.

Strategic electrification does not include investments that the commissioner determines could reasonably be included in the natural gas utility's conservation improvement program under section 216B.241.

(r) "Total incremental cost" means the calculation of the following components of a utility's innovation plan approved by the commission under subdivision 2:

(1) the sum of:

(i) return of and on capital investments for the production, processing, pipeline interconnection, storage, and distribution of innovative resources;

(ii) incremental operating costs associated with capital investments in infrastructure for the production, processing, pipeline interconnection, storage, and distribution of innovative resources;

(iii) incremental costs to procure innovative resources from third parties;

(iv) incremental costs to develop and administer programs; and

(v) incremental costs for research and development related to innovative resources;

(2) less the sum of:

(i) value received by the utility upon the resale of innovative resources or innovative resource by-products, including any environmental credits included with the resale of renewable gaseous fuels or value received by the utility when innovative resources are used as vehicle fuel;

(ii) cost savings achieved through avoidance of purchases of natural gas produced from conventional geologic sources, including but not limited to avoided commodity purchases or avoided pipeline costs; and

(iii) other revenues received by the utility that are directly attributable to the utility's implementation of an innovation plan.

(s) "Utility" means a public utility, as defined in section 216B.02, subdivision 4, that provides natural gas sales or natural gas transportation services to customers in Minnesota.

Subd. 2. **Innovation plans.** (a) A natural gas utility may file an innovation plan with the commission. The utility's plan must include, as applicable, the following components:

(1) the innovative resource or resources the utility plans to implement to contribute to meeting the state's greenhouse gas and renewable energy goals, including those established in section 216C.05, subdivision 2, clause (3), and section 216H.02, subdivision 1, within the requirements and limitations set forth in this section;

(2) research and development investments related to innovative resources the utility plans to undertake;

(3) total lifecycle greenhouse gas emissions that the utility projects are reduced or avoided through implementing the plan;

(4) a comparison of the estimate in clause (3) to total emissions from natural gas use by utility customers in 2020;

(5) a description of each pilot program included in the plan that is related to the development or provision of innovative resources, and an estimate of the total incremental costs to implement each pilot program;

(6) the cost-effectiveness of innovative resources calculated from the perspective of the utility, society, the utility's nonparticipating customers, and the utility's participating customers compared to other innovative resources that could be deployed to reduce or avoid the same greenhouse gas emissions targeted for reduction by the utility's proposed innovative resource;

(7) for any pilot program not previously approved as part of the utility's most recent innovation plan, a third-party analysis of:

(i) the lifecycle greenhouse gas emissions intensity of the proposed innovative resources; and

(ii) the forecasted lifecycle greenhouse gas emissions reduced or avoided if the proposed pilot program is implemented;

(8) an explanation of the methodology used by the utility to calculate the lifecycle greenhouse gas emissions avoided or reduced by each pilot program included in the plan, including descriptions of how the utility's method deviated, if at all, from the carbon accounting frameworks established by the commission under section 216B.2428;

(9) a discussion of whether the plan supports the development and use of alternative agricultural products, waste reduction, reuse, or anaerobic digestion of organic waste, and the recovery of energy from wastewater, and, if it does, a description of the geographic areas of the state in which the benefits are realized;

(10) a description of third-party systems and processes the utility plans to use to:

(i) track the innovative resources included in the plan so that environmental benefits produced by the plan are not claimed for any other program; and

(ii) verify the environmental attributes and greenhouse gas emissions intensity of innovative resources included in the plan;

(11) projected local job impacts resulting from implementation of the plan and a description of steps the utility and the utility's energy suppliers and contractors are taking to maximize the availability of construction employment opportunities for local workers;

(12) a description of how the utility proposes to recover annual total incremental costs of the plan;

(13) steps the utility has taken or proposes to take to reduce the expected cost of the plan on low- and moderate-income residential customers and to ensure that low- and moderate-income residential customers benefit from innovative resources included in the plan;

(14) a report on the utility's progress toward implementing the utility's previously approved innovation plan, if applicable;

(15) a report of the utility's progress toward achieving the cost-effectiveness objectives established by the commission with respect to the utility's previously approved innovation plan, if applicable; and

(16) collections of pilot programs that the utility estimates would, if implemented, provide approximately 50 percent, 150 percent, and 200 percent of the greenhouse gas reduction or avoidance benefits of the utility's proposed plan.

(b) The commission must approve, modify, or reject a plan. The commission must not approve an innovation plan unless the commission finds:

(1) the size, scope, and scale of the plan produces net benefits under the cost-benefit framework established by the commission in section 216B.2428;

(2) the plan promotes the use of renewable energy resources and reduces or avoids greenhouse gas emissions at a cost level consistent with subdivision 3;

(3) the plan promotes local economic development;

(4) the innovative resources included in the plan have a lower lifecycle greenhouse gas intensity than natural gas produced from conventional geologic sources;

(5) the systems used to track and verify the environmental attributes of the innovative resources included in the plan are reasonable, considering available third-party tracking and verification systems;

(6) the costs and revenues projected under the plan are reasonable in comparison to other innovative resources the utility could deploy to reduce greenhouse gas emissions, considering other benefits of the innovative resources included in the plan;

(7) the total amount of estimated greenhouse gas emissions reduction or avoidance to be achieved under the plan is reasonable considering the state's greenhouse gas and renewable energy goals, including those established in section 216C.05, subdivision 2, clause (3), and section 216H.02, subdivision 1; customer cost; and the total amount of greenhouse gas emissions reduction or avoidance achieved under the utility's previously approved plans, if applicable; and

(8) any renewable natural gas purchased by a utility under the plan that is produced from the anaerobic digestion of manure is certified as being produced at an agricultural livestock production facility that does not increase the number of animal units at the facility solely or primarily to produce renewable natural gas for the plan.

(c) In seeking to recover costs under a plan approved by the commission under this section, the utility must demonstrate to the satisfaction of the commission that the actual total incremental costs incurred to implement the approved innovation plan are reasonable. Prudently incurred costs under an approved plan, including prudently incurred costs to obtain the third-party analysis required in paragraph (a), clauses (6) and (7), are recoverable either:

(1) under section 216B.16, subdivision 7, clause (2), via the utility's purchased gas adjustment;

(2) in the utility's next general rate case; or

(3) via annual adjustments, provided that after notice and comment the commission determines that the costs included for recovery through rates are prudently incurred. Annual adjustments must include a rate of return, income taxes on the rate of return, incremental property taxes, incremental depreciation expense, and incremental operation and maintenance expenses. The rate of return must be at the level approved by the commission in the utility's last general rate case, unless the commission determines that a different rate of return is in the public interest.

(d) Upon approval of a utility's plan, the commission shall establish cost-effectiveness objectives for the plan based on the cost-benefit test for innovative resources developed under section 216B.2428. The cost-effectiveness objective for each plan must demonstrate incremental progress from the previously approved plan's cost-effectiveness objective.

(e) A utility operating under an approved plan must file annual reports to the commission on work completed under the plan, including:

(1) costs incurred;

(2) lifecycle greenhouse gas emissions reductions or avoidance achieved;

(3) a description of the processes used to track and verify the innovative resources and to retire the associated environmental attributes;

(4) an assessment of the degree to which the lifecycle greenhouse gas accounting methodology is consistent with current science;

(5) the economic impact of the plan, including job creation;

(6) the utility's progress toward achieving the cost-effectiveness objectives established by the commission; and

(7) modifications to elements of the plan proposed by the utility.

(f) When evaluating a utility's annual report, the commission may:

(1) approve the continuation of a pilot program included in the plan, with or without modifications;

(2) require the utility to file a new or modified pilot program or plan; or

(3) disapprove the continuation of a pilot program or plan.

(g) An innovation plan has a term of five years. A subsequent innovation plan must be filed no later than four years after the previous plan was approved by the commission so that, if approved, the new plan takes effect immediately upon expiration of the previous plan.

(h) For purposes of this section and the commission's lifecycle carbon accounting framework and cost-benefit test for innovative resources under section 216B.2428, any required analysis of lifecycle greenhouse gas emissions reductions or avoidance, or lifecycle greenhouse gas intensity:

(1) must include but is not limited to estimates of:

(i) avoided or reduced greenhouse gas emissions attributable to utility operations;

(ii) avoided or reduced greenhouse gas emissions from the production, processing, and transmission of fuels prior to receipt by the utility; and

(iii) avoided or reduced greenhouse gas emissions at the point of end use;

(2) must not count any unit of greenhouse gas emissions avoidance or reduction more than once; and

(3) may, where direct measurement is not technically or economically feasible, rely on emissions factors, default values, or engineering estimates from a publicly accessible source accepted by a federal or state government agency, provided that the emissions factors, default values, or engineering estimates can be demonstrated to the satisfaction of the commission to produce a reasonable estimate of greenhouse gas emissions reductions, avoidance, or intensity.

(i) Strategic electrification implemented in a plan approved by the commission under this section is not eligible for a financial incentive under section 216B.241, subdivision 2c. Electric end-use equipment installed under a plan approved by the commission under this section is the exclusive property of the building owner.

Subd. 3. **Limitations on utility customer costs.** (a) Except as provided in paragraph (b), the first innovation plan submitted to the commission by a utility must not propose, and the commission must not approve, annual total incremental costs exceeding the lesser of:

(1) 1.75 percent of the utility's gross operating revenues from natural gas service provided in Minnesota at the time of plan filing; or

(2) $20 per nonexempt customer, based on the proposed annual total incremental costs for each year of the plan divided by the total number of nonexempt utility customers.

(b) The commission may approve additional annual costs up to the lesser of:

(1) an additional 0.25 percent of the utility's gross operating revenues from service provided in Minnesota at the time of plan filing; or

(2) $5 per nonexempt customer, based on the proposed annual total incremental costs for each year of the plan divided by the total number of nonexempt utility customers of incremental costs, provided that the additional costs under this paragraph are associated exclusively with the purchase of renewable natural gas produced from:

(i) food waste diverted from a landfill;

(ii) a municipal wastewater treatment system; or

(iii) an organic mixture that includes at least 15 percent, by volume, sustainably harvested native prairie grasses or locally appropriate cover crops, as determined by a local soil and water conservation district or the United States Department of Agriculture, Natural Resources Conservation Service.

(c) If the commission determines that the utility has successfully achieved the cost-effectiveness objectives established in the utility's most recently approved innovation plan, except as provided in paragraph (d), the next subsequent plan filed by the utility under this section is subject to the provisions of paragraphs (a) and (b), except that:

(1) the cap on total incremental costs in paragraph (a) with respect to the second plan is the lesser of:

(i) 2.75 percent of the utility's gross operating revenues from natural gas service in Minnesota at the time of the plan's filing; or

(ii) $35 per nonexempt customer; and

(2) the cap on additional costs in paragraph (b) is the lesser of:

(i) an additional 0.75 percent of the utility's gross operating revenues from natural gas service in Minnesota at the time of the plan's filing; or

(ii) $10 per nonexempt customer.

(d) If the commission determines that the utility has successfully achieved the cost-effectiveness objectives established in two of the same utility's previously approved innovation plans, all subsequent plans filed by the utility under this section are subject to the provisions of paragraphs (a) and (b), except that:

(1) the cap on total incremental costs in paragraph (a) with respect to the third or subsequent plan is the lesser of:

(i) four percent of the utility's gross operating revenues from natural gas service in Minnesota at the time of the plan's filing; or

(ii) $50 per nonexempt customer; and

(2) the cap on additional costs in paragraph (b) is the lesser of:

(i) an additional 1.5 percent of the utility's gross operating revenues from natural gas service in Minnesota at the time of the plan's filing; or

(ii) $20 per nonexempt customer.

(e) For purposes of paragraphs (a) to (d), the limits on annual total incremental costs must be calculated at the time the innovation plan is filed as the average of the utility's forecasted total incremental costs over the five-year term of the plan.

(f) A large customer facility that the commissioner of commerce has exempted from a utility's conservation improvement program under section 216B.241, subdivision 1a, paragraph (b), is exempt from the utility's innovation plan offerings and must not be charged any costs incurred to implement an approved innovation plan unless the large customer facility files a request with the commissioner to be included in a utility's innovation plan. The commission may prohibit large customer facilities exempt from innovation plan costs from participating in innovation plans.

(g) A utility filing an innovation plan may include annual spending and investments on research and development of up to ten percent of the proposed total incremental costs related to innovative plans, subject to the limitations in paragraphs (a) to (e).

(h) For purposes of this subdivision, gross operating revenues do not include revenues from large customer facilities exempt from innovation plan costs.

Subd. 4. **Innovative resources procured outside of an innovation plan.** (a) Without filing an innovation plan, a natural gas utility may propose and the commission may approve cost recovery for:

(1) innovative resources acquired to satisfy a commission-approved green tariff program that allows customers to choose to meet a portion of the customers' energy needs through innovative resources; or

(2) utility expenditures for innovative resources procured at a cost that is within five percent of the average of Ventura and Demarc index prices for natural gas produced from conventional geologic sources at the time of the transaction per unit of natural gas that the innovative resource displaces.

(b) An approved green tariff program must include provisions to ensure that reasonable systems are used to track and verify the environmental attributes of innovative resources included in the program, taking into account any available third-party tracking or verification systems.

(c) For the purposes of this subdivision, "Ventura and Demarc index prices" means the daily index price of wholesale natural gas sold at the Northern Natural Gas Company's Ventura trading hub in Hancock County, Iowa, and its demarcation point in Clifton, Kansas.

Subd. 5. **Power-to-ammonia.** When determining whether to approve a power-to-ammonia pilot program as part of an innovative plan, the commission must consider:

(1) the risk of exposing any person to unhealthy concentrations of ammonia;

(2) the risk that any home or business might be affected by ammonia odors;

(3) whether the greenhouse gas emissions addressed by the proposed power-to-ammonia project could be more efficiently addressed using power-to-hydrogen; and

(4) whether the power-to-ammonia project achieves lifecycle greenhouse gas emissions reductions in the agricultural sector more effectively than power-to-hydrogen.

Subd. 6. **Thermal energy audits.** The first innovation plan filed under this section by a utility with more than 800,000 customers must include a pilot program to provide thermal energy audits to small- and medium-sized business in order to identify opportunities to reduce or avoid greenhouse gas emissions from natural gas use. The pilot program must provide incentives for businesses to implement recommendations made by the audit. The utility must develop criteria to identify businesses that achieve significant emissions reductions by implementing audit recommendations and must recognize the businesses as thermal energy leaders.

Subd. 7. **Innovative resources for certain industrial processes.** The first innovation plan filed under this section by a utility with more than 800,000 customers must include a pilot program to provide innovative resources to industrial facilities whose manufacturing processes, for technical reasons, are not amenable to electrification. A large customer facility exempt from innovation plan offerings under subdivision 3, paragraph (f), is not eligible to participate in the pilot program under this subdivision.

Subd. 8. **Electric cold climate air-source heat pumps.** (a) The first innovation plan filed under this section by a utility with more than 800,000 customers must include a pilot program that facilitates deep energy retrofits and the installation of cold climate electric air-source heat pumps in existing residential homes that have natural gas heating systems.

(b) For purposes of this subdivision, "deep energy retrofit" means the installation of any measure or combination of measures, including air sealing and addressing thermal bridges, that under normal weather and operating conditions can reasonably be expected to reduce a building's calculated design load to ten or fewer British Thermal Units per hour per square foot of conditioned floor area. Deep energy retrofit does not include the installation of photovoltaic electric generation equipment, but may include the installation of a qualifying solar thermal energy project.

Subd. 9. **District energy.** The first innovation plan filed under this section by a utility with more than 800,000 customers must include a pilot program to facilitate the development, expansion, or modification of district energy systems in Minnesota. This subdivision does not require the utility to propose, construct, maintain, or own district energy infrastructure.

Subd. 10. **Throughput goal.** It is the goal of the state of Minnesota that through the Natural Gas Innovation Act and Conservation Improvement Program, utilities reduce the overall amount of natural gas produced from conventional geologic sources delivered to customers.

Subd. 11. **Utility system report and forecasts.** (a) A public utility filing an innovation plan shall concurrently submit a report to the commission containing the following information:

(1) methane gas emissions attributed to venting or leakage across the utility's system, including emissions information reported to the Environmental Protection Agency and gas leaks considered to be hazardous or nonhazardous, and a narrative description of the utility's expectations regarding the cost and performance of the utility's leakage reduction programs over the next five years;

(2) total system greenhouse gas emissions and greenhouse gas emissions projected to be reduced or avoided through innovative resource investments and energy conservation investments, and a narrative description of the costs required to achieve the reductions over the next five years through investments in innovative resources and energy conservation;

(3) the quantity of pipe in service in the utility's natural gas network in Minnesota, by material, size, coating, operating pressure, and decade of installation, based on utility information reported to the United States Department of Transportation;

(4) a narrative description of other significant equipment owned and operated by the utility through which gas is transported or stored, including regulator stations and storage facilities, a discussion of the function of the equipment, how the equipment is maintained, and utility efforts to prevent leaks from the equipment;

(5) a five-year forecast of fuel prices and anticipated purchases including, as available, natural gas produced from conventional geologic sources, renewable natural gas, and alternative fuels;

(6) a five-year forecast of potential capital investments by the utility in existing infrastructure and new infrastructure for natural gas produced from conventional geologic sources and for innovative resources; and

(7) an inventory of the utility's current financial incentive programs for natural gas, including rebates and incentives offered for new and existing buildings and a description of the utility's projected changes in incentives the utility is likely to implement over the next five years.

(b) Information filed under this subdivision is intended to be used by the commission to evaluate a utility's innovation plan in the context of the utility's other planned investments and activities with respect to natural gas produced from conventional geologic sources. Information filed under this subdivision must not be used by the commission to set or limit utility rate recovery.

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

Sec. 33. **[216B.2428] LIFECYCLE GREENHOUSE GAS EMISSIONS ACCOUNTING FRAMEWORK; COST-BENEFIT TEST FOR INNOVATIVE RESOURCES.**

By June 1, 2022, the commission shall, by order, issue frameworks the commission must use to calculate lifecycle greenhouse gas emissions intensities of each innovative resource, as follows:

(1) a general framework to compare the lifecycle greenhouse gas emissions intensities of power-to-hydrogen, strategic electrification, renewable natural gas, district energy, energy efficiency, biogas, carbon capture, and power-to-ammonia; and

(2) a cost-benefit analytic framework to be applied to innovative resources and innovation plans filed under section 216B.2427 that the commission must use to compare the cost-effectiveness of those resources and plans. This analytic framework must take into account:

(i) the total incremental cost of the plan or resource and the lifecycle greenhouse gas emissions avoided or reduced by the innovative resource or plan, using the framework developed under clause (1);

(ii) additional economic costs and benefits, programmatic costs and benefits, additional environmental costs and benefits, and other costs or benefits that may be expected under a plan; and

(iii) baseline cost-effectiveness criteria against which an innovation plan should be compared. When establishing baseline criteria, the commission must take into account options available to reduce lifecycle greenhouse gas emissions from natural gas end uses and the goals in section 216C.05, subdivision 2, clause (3), and section 216H.02, subdivision 1. To the maximum reasonable extent, the cost-benefit framework must be consistent with environmental cost values established under section 216B.2422, subdivision 3, and other calculations of the social value of greenhouse gas emissions reductions used by the commission. The commission may update frameworks established under this section as necessary.

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

Sec. 34. **[216B.247] BENEFICIAL BUILDING ELECTRIFICATION.**

(a) It is the goal of the state of Minnesota to promote energy end uses powered by electricity in the building sector that result in a net reduction in greenhouse gas emissions and improvements to public health, consistent with the goal established under section 216H.02, subdivision 1.

(b) To the maximum reasonable extent, the implementation of beneficial electrification in the building sector should prioritize investment and activity in low-income and under-resourced communities, maintain or improve the quality of electricity service, maximize customer savings, improve the integration of renewable and carbon-free resources, and prioritize job creation.

Sec. 35. **[216B.248] PUBLIC UTILITY BENEFICIAL BUILDING ELECTRIFICATION.**

(a) A public utility may submit to the commission a plan to promote energy end uses powered by electricity within the public utility's service area in residential and commercial buildings. To the maximum reasonable extent, a plan must:

(1) maximize consumer savings over the lifetime of the investment;

(2) mitigate cost and avoid duplication with the utility's conservation improvement plan under section 216B.241;

(3) maintain or enhance the reliability of electricity service;

(4) quantify the acres of land needed for new generation, transmission, and distribution facilities to provide the additional electricity required under the plan;

(5) maintain or enhance public health and safety when temperatures fall below 25 degrees below zero Fahrenheit;

(6) support the integration of renewable and carbon-free resources;

(7) encourage demand response and load shape management opportunities and the use of energy storage that reduce overall system costs;

(8) prioritize electrification projects in economically disadvantaged communities;

(9) consider cost protections for low- and moderate-income customers;

(10) produce a net reduction in greenhouse gas emissions, based on the electricity generation portfolio of the public utility proposing the plan, or based on the electricity serving the end-use in the event that a public utility providing retail natural gas service proposes the plan, either over the lifetime of the conversion or by 2050, whichever is sooner; and

(11) consider local job impacts and give preference to proposals that maximize the creation of construction employment opportunities for local workers.

(b) The commission must approve, reject, or modify the public utility's plan, consistent with the public interest. Plans approved by the commission under this subdivision are eligible for cost recovery under section 216B.1645.

Sec. 36. **[216B.491] DEFINITIONS.**

Subdivision 1. **Scope.** For the purposes of sections 216B.491 to 216B.4991, the terms defined in this subdivision have the meanings given.

Subd. 2. **Ancillary agreement.** "Ancillary agreement" means any bond, insurance policy, letter of credit, reserve account, surety bond, interest rate lock or swap arrangement, liquidity or credit support arrangement, or other financial arrangement entered into in connection with energy transition bonds that is designed to promote the credit quality and marketability of energy transition bonds or to mitigate the risk of an increase in interest rates.

Subd. 3. **Assignee.** "Assignee" means any person to which an interest in energy transition property is sold, assigned, transferred, or conveyed, other than as security, and any successor to or subsequent assignee of the person.

Subd. 4. **Bondholder.** "Bondholder" means any holder or owner of energy transition bonds.

Subd. 5. **Clean energy resource.** "Clean energy resource" means:

(1) renewable energy, as defined in section 216B.2422, subdivision 1;

(2) an energy storage system; or

(3) energy efficiency and load management, as defined in section 216B.241, subdivision 1.

Subd. 6. **Customer.** "Customer" means a person who takes electric service from an electric utility for consumption of electricity in Minnesota.

Subd. 7. **Electric generating facility.** "Electric generating facility" means a facility that generates electricity, is owned in whole or in part by an electric utility, and is used to serve customers in Minnesota. Electric generating facility includes any interconnected infrastructure or facility used to transmit or deliver electricity to Minnesota customers.

Subd. 8. **Electric utility.** "Electric utility" means an electric utility providing electricity to Minnesota customers, including the electric utility's successors or assignees.

Subd. 9. **Energy storage system.** "Energy storage system" means a commercially available technology that uses mechanical, chemical, or thermal processes to:

(1) store energy and deliver the stored energy for use at a later time; or

(2) store thermal energy for direct use for heating or cooling at a later time in a manner that reduces the demand for electricity at the later time.

Subd. 10. **Energy transition bonds.** "Energy transition bonds" means low-cost corporate securities, including but not limited to senior secured bonds, debentures, notes, certificates of participation, certificates of beneficial interest, certificates of ownership, or other evidences of indebtedness or ownership that have a scheduled maturity of no longer than 30 years and a final legal maturity date that is not later than 32 years from the issue date, that are rated AA or Aa2 or better by a major independent credit rating agency at the time of issuance, and that are issued by an electric utility or an assignee under a financing order.

Subd. 11. **Energy transition charge.** "Energy transition charge" means a charge that:

(1) is imposed on all customer bills by an electric utility that is the subject of a financing order, or the electric utility's successors or assignees;

(2) is separate from the utility's base rates; and

(3) provides a source of revenue solely to repay, finance, or refinance energy transition costs.

Subd. 12. **Energy transition costs.** "Energy transition costs" means:

(1) as approved by the commission in a financing order issued under section 216B.492, the pretax costs that the electric utility has incurred or will incur that are caused by, associated with, or remain as a result of retiring or replacing electric generating facilities serving Minnesota retail customers; and

(2) pretax costs that an electric utility has previously incurred related to the closure or replacement of electric infrastructure or facilities occurring before the effective date of this act.

Energy transition costs do not include any monetary penalty, fine, or forfeiture assessed against an electric utility by a government agency or court under a federal or state environmental statute, rule, or regulation.

Subd. 13. **Energy transition property.** "Energy transition property" means:

(1) all rights and interests of an electric utility or successor or assignee of an electric utility under a financing order for the right to impose, bill, collect, receive, and obtain periodic adjustments to energy transition charges authorized under a financing order issued by the commission; and

(2) all revenue, collections, claims, rights to payments, payments, money, or proceeds arising from the rights and interests specified in clause (1), regardless of whether any are commingled with other revenue, collections, rights to payment, payments, money, or proceeds.

Subd. 14. **Energy transition revenue.** "Energy transition revenue" means revenue, receipts, collections, payments, money, claims, or other proceeds arising from energy transition property.

Subd. 15. **Financing costs.** "Financing costs" means:

(1) principal, interest, and redemption premiums that are payable on energy transition bonds;

(2) payments required under an ancillary agreement and amounts required to fund or replenish a reserve account or other accounts established under the terms of any indenture, ancillary agreement, or other financing document pertaining to the bonds;

(3) other demonstrable costs related to issuing, supporting, repaying, refunding, and servicing the bonds, including but not limited to servicing fees, accounting and auditing fees, trustee fees, legal fees, consulting fees, financial advisor fees, administrative fees, placement and underwriting fees, capitalized interest, rating agency fees, stock exchange listing and compliance fees, security registration fees, filing fees, information technology programming costs, and any other demonstrable costs necessary to otherwise ensure and guarantee the timely payment of the bonds or other amounts or charges payable in connection with the bonds;

(4) taxes and license fees imposed on the revenue generated from collecting an energy transition charge;

(5) state and local taxes, including franchise, sales and use, and other taxes or similar charges, including but not limited to regulatory assessment fees, whether paid, payable, or accrued; and

(6) costs incurred by the commission to hire and compensate additional temporary staff needed to perform the commission's responsibilities under this section and, in accordance with section 216B.494, to engage specialized counsel and expert consultants experienced in securitized electric utility ratepayer-backed bond financing similar to energy transition bonds.

Subd. 16. **Financing order.** "Financing order" means an order issued by the commission under section 216B.492 that authorizes an applicant to (1) issue energy transition bonds in one or more series, (2) impose, charge, and collect energy transition charges, and (3) create energy transition property.

Subd. 17. **Financing party.** "Financing party" means a holder of energy transition bonds and a trustee, collateral agent, a party under an ancillary agreement, or any other person acting for the benefit of energy transition bondholders.

Subd. 18. **Nonbypassable.** "Nonbypassable" means that the payment of an energy transition charge required to repay bonds and related costs may not be avoided by any retail customer located within an electric utility service area.

Subd. 19. **Pretax costs.** "Pretax costs" means costs approved by the commission, including but not limited to:

(1) unrecovered capitalized costs of retired or replaced electric generating facilities;

(2) costs to decommission and restore the site of an electric generating facility;

(3) other applicable capital and operating costs, accrued carrying charges, deferred expenses, reductions for applicable insurance, and salvage proceeds; and

(4) costs to retire any existing indebtedness, fees, costs, and expenses to modify existing debt agreements, or for waivers or consents related to existing debt agreements.

Subd. 20. **Successor.** "Successor" means a legal entity that succeeds by operation of law to the rights and obligations of another legal entity as a result of bankruptcy, reorganization, restructuring, other insolvency proceeding, merger, acquisition, consolidation, or sale or transfer of assets.

Sec. 37. **[216B.492] FINANCING ORDER.**

Subdivision 1. **Application.** (a) An electric utility that has received approval from the commission to retire an electric generating facility owned by the utility prior to the full depreciation of the electric generating facility's value may file an application with the commission for the issuance of a financing order to enable the utility to recover energy transition costs through the issuance of energy transition bonds under this section.

(b) The application must include all of the following information:

(1) a description of the electric generating facility to be retired;

(2) the undepreciated value remaining in the electric generating facility that is proposed to be financed through the issuance of bonds under sections 216B.491 to 216B.499, and the method used to calculate the amount;

(3) the estimated savings to electric utility customers if the financing order is issued as requested in the application, calculated by comparing the costs to customers that are expected to result from implementing the financing order and the estimated costs associated with implementing traditional electric utility financing mechanisms with respect to the same undepreciated balance, expressed in net present value terms;

(4) an estimated schedule for the electric generating facility's retirement;

(5) a description of the nonbypassable energy transition charge electric utility customers would be required to pay in order to fully recover financing costs, and the method and assumptions used to calculate the amount;

(6) a proposed methodology for allocating the revenue requirement for the energy transition charge among the utility's customer classes;

(7) a description of a proposed adjustment mechanism to be implemented when necessary to correct any overcollection or undercollection of energy transition charges, in order to complete payment of scheduled principal and interest on energy transition bonds and other financing costs in a timely fashion;

(8) a memorandum with supporting exhibits from a securities firm that is experienced in the marketing of bonds and that is approved by the commissioner of management and budget indicating the proposed issuance satisfies the current published AA or Aa2 or higher rating or equivalent rating criteria of at least one nationally recognized securities rating organization for issuances similar to the proposed energy transition bonds;

(9) an estimate of the timing of the issuance and the term of the energy transition bonds, or series of bonds, provided that the scheduled final maturity for each bond issuance does not exceed 30 years;

(10) identification of plans to sell, assign, transfer, or convey, other than as a security, interest in energy transition property, including identification of an assignee, and demonstration that the assignee is a financing entity wholly owned, directly or indirectly, by the electric utility;

(11) identification of ancillary agreements that may be necessary or appropriate;

(12) one or more alternative financing scenarios in addition to the preferred scenario contained in the application; and

(13) a workforce transition plan that includes estimates of:

(i) the number of workers currently employed at the electric generating facility to be retired by the electric utility and, separately reported, by contractors, including workers that directly deliver fuel to the electric generating facility;

(ii) the number of workers identified in item (i) who, as a result of the retirement of the electric generating facility:

(A) are offered employment by the electric utility in the same job classification;

(B) are offered employment by the electric utility in a different job classification;

(C) are not offered employment by the electric utility;

(D) are offered early retirement by the electric utility; and

(E) retire as planned; and

(iii) if the electric utility plans to replace the retiring generating facility with a new electric generating facility owned by the electric utility, the number of jobs at the new generating facility outsourced to contractors or subcontractors; and

(14) a plan to replace the retired electric generating facilities with other electric generating facilities owned by the utility or power purchase agreements that meet the requirements of subdivision 3, clause (15), and a schedule reflecting that the replacement resources are operational or available at the time the retiring electric generating facilities cease operation.

Subd. 2. **Findings.** After providing notice and holding a public hearing on an application filed under subdivision 1, the commission may issue a financing order if the commission finds that:

(1) the energy transition costs described in the application related to the retirement of electric generation facilities are reasonable;

(2) the proposed issuance of energy transition bonds and the imposition and collection of energy transition charges:

(i) are just and reasonable;

(ii) are consistent with the public interest;

(iii) constitute a prudent and reasonable mechanism to finance the energy transition costs described in the application; and

(iv) provide tangible and quantifiable benefits to customers that are substantially greater than the benefits that would have been achieved absent the issuance of energy transition bonds; and

(3) the proposed structuring, marketing, and pricing of the energy transition bonds:

(i) significantly lower overall costs to customers or significantly mitigate rate impacts to customers relative to traditional methods of financing; and

(ii) achieve the maximum net present value of customer savings, as determined by the commission in a financing order, consistent with market conditions at the time of sale and the terms of the financing order.

Subd. 3. **Contents.** (a) A financing order issued under this section must:

(1) determine the maximum amount of energy transition costs that may be financed from proceeds of energy transition bonds issued pursuant to the financing order;

(2) describe the proposed customer billing mechanism for energy transition charges and include a finding that the mechanism is just and reasonable;

(3) describe the financing costs that may be recovered through energy transition charges and the period over which the costs may be recovered, which must end no earlier than the date of final legal maturity of the energy transition bonds;

(4) describe the energy transition property that is created and that may be used to pay and secure the payment of the energy transition bonds and financing costs authorized in the financing order;

(5) authorize the electric utility to finance energy transition costs through the issuance of one or more series of energy transition bonds. An electric utility is not required to secure a separate financing order for each issuance of energy transition bonds or for each scheduled phase of the retirement or replacement of electric generating facilities approved in the financing order;

(6) include a formula-based mechanism that must be used to make expeditious periodic adjustments to the energy transition charge authorized by the financing order that are necessary to correct for any overcollection or undercollection, or to otherwise guarantee the timely payment of energy transition bonds, financing costs, and other required amounts and charges payable in connection with energy transition bonds;

(7) specify the degree of flexibility afforded to the electric utility in establishing the terms and conditions of the energy transition bonds, including but not limited to repayment schedules, expected interest rates, and other financing costs;

(8) specify that the energy transition bonds must be issued as soon as feasible following issuance of the financing order;

(9) require the electric utility, at the same time as energy transition charges are initially collected and independent of the schedule to close and decommission the electric generating facility, to remove the electric generating facility to be retired from the utility's rate base and commensurately reduce the utility's base rates;

(10) specify a future ratemaking process to reconcile any difference between the projected pretax costs included in the amount financed by energy transition bonds and the final actual pretax costs incurred by the electric utility to retire or replace the electric generating facility;

(11) specify information regarding bond issuance and repayments, financing costs, energy transaction charges, energy transition property, and related matters that the electric utility is required to provide to the commission on a schedule determined by the commission;

(12) allow and may require the creation of an electric utility's energy transition property to be conditioned on, and occur simultaneously with, the sale or other transfer of the energy transition property to an assignee and the pledge of the energy transition property to secure the energy transition bonds;

(13) ensure that the structuring, marketing, and pricing of energy transition bonds result in the lowest securitization bond charges and maximize net present value customer savings, consistent with market conditions and the terms of the financing order;

(14) specify that the electric utility is prohibited from, after the electric generating facilities subject to the finance order are removed from the electric utility's base rate:

(i) operating the electric generating facilities; or

(ii) selling the electric generating facilities to another entity to be operated as electric generating facilities; and

(15) specify that the electric utility must send a payment from energy transition bond proceeds equal to 15 percent of the net present value of electric utility cost savings estimated by the commission under subdivision 2, clause (3), item (ii), to the commissioner of employment and economic development for deposit in the energy worker transition account established in section 216B.4991, and that the balance of the proceeds:

(i) must not be used to acquire, construct, finance, own, operate, or purchase energy from an electric generating facility that is not powered by a clean energy resource; and

(ii) may be used to construct, finance, operate, own, or purchase energy from, an electric generating facility that complies with item (i), under conditions determined by the commission, including the capacity of generating assets, the estimated date the asset is placed into service, and any other factors deemed relevant by the commission, taking into account the electric utility's resource plan most recently approved by the commission under section 216B.2422.

(b) A financing order issued under this section may:

(1) include conditions different from those requested in the application that the commission determines are necessary to:

(i) promote the public interest; and

(ii) maximize the financial benefits or minimize the financial risks of the transaction to customers and to directly impacted Minnesota workers and communities; and

(2) specify the selection of one or more underwriters of the energy transition bonds.

Subd. 4. **Duration; irrevocability; subsequent order.** (a) A financing order remains in effect until the energy transition bonds issued under the financing order and all financing costs related to the bonds have been paid in full.

(b) A financing order remains in effect and unabated notwithstanding the bankruptcy, reorganization, or insolvency of the electric utility to which the financing order applies or any affiliate, successor, or assignee of the electric utility.

(c) Subject to judicial review as provided for in section 216B.52, a financing order is irrevocable and is not reviewable by future commissions. The commission may not reduce, impair, postpone, or terminate energy transition charges approved in a financing order, or impair energy transition property or the collection or recovery of energy transition revenue.

(d) Notwithstanding paragraph (c), the commission may, on the commission's own motion or at the request of an electric utility or any other person, commence a proceeding and issue a subsequent financing order that provides for refinancing, retiring, or refunding energy transition bonds issued under the original financing order if:

(1) the commission makes all of the findings specified in subdivision 2 with respect to the subsequent financing order; and

(2) the modification contained in the subsequent financing order does not in any way impair the covenants and terms of the energy transition bonds to be refinanced, retired, or refunded.

Subd. 5. **Effect on commission jurisdiction.** (a) Except as provided in paragraph (b), the commission, in exercising the powers and carrying out the duties under this section, is prohibited from:

(1) considering energy transition bonds issued under this section to be debt of the electric utility other than for income tax purposes, unless it is necessary to consider the energy transition bonds to be debt in order to achieve consistency with prevailing utility debt rating methodologies;

(2) considering the energy transition charges paid under the financing order to be revenue of the electric utility;

(3) considering the energy transition costs or financing costs specified in the financing order to be the regulated costs or assets of the electric utility; or

(4) determining any prudent action taken by an electric utility that is consistent with the financing order is unjust or unreasonable.

(b) Nothing in this subdivision:

(1) affects the authority of the commission to apply or modify any billing mechanism designed to recover energy transition charges;

(2) prevents or precludes the commission from investigating an electric utility's compliance with the terms and conditions of a financing order and requiring compliance with the financing order; or

(3) prevents or precludes the commission from imposing regulatory sanctions against an electric utility for failure to comply with the terms and conditions of a financing order or the requirements of this section.

(c) The commission is prohibited from refusing to allow the recovery of any costs associated with the retirement or replacement of electric generating facilities by an electric utility solely because the electric utility has elected to finance those activities through a financing mechanism other than energy transition bonds.

Sec. 38. **[216B.493] POST-ORDER COMMISSION DUTIES.**

Subdivision 1. **Financing cost review.** Within 120 days after the date energy transition bonds are issued, an electric utility subject to a financing order must file with the commission the actual initial and ongoing financing costs, the final structure and pricing of the energy transition bonds, and the actual energy transition charge. The commission must review the prudence of the electric utility's actions to determine whether the actual financing costs are the lowest that could reasonably be achieved given the terms of the financing order and market conditions prevailing at the time of the bond's issuance.

Subd. 2. **Enforcement.** If the commission determines that an electric utility's actions under this section are not prudent or are inconsistent with the financing order, the commission may apply any remedies available, provided that any remedy applied may not directly or indirectly impair the security for the energy transition bonds.

Sec. 39. **[216B.494] USE OF OUTSIDE EXPERTS.**

(a) In carrying out the duties under this section, the commission may:

(1) contract with outside consultants and counsel experienced in securitized electric utility customer-backed bond financing similar to energy transition bonds; and

(2) hire and compensate additional temporary staff as needed.

Expenses incurred by the commission under this paragraph must be treated as financing costs and included in the energy transition charge. The costs incurred under clause (1) are not an obligation of the state and are assigned solely to the transaction.

(b) If a utility's application for a financing order is denied or withdrawn for any reason and energy transition bonds are not issued, the commission's costs to retain expert consultants under this subdivision must be paid by the applicant utility and are deemed by the commission to be a prudent deferred expense eligible for recovery in the utility's future rates.

Sec. 40. **[216B.495] ENERGY TRANSITION CHARGE; BILLING TREATMENT.**

(a) An electric utility that obtains a financing order and causes energy transition bonds to be issued must:

(1) include on each customer's monthly electricity bill:

(i) a statement that a portion of the charges represents energy transition charges approved in a financing order;

(ii) the amount and rate of the energy transition charge as a separate line item titled "energy transition charge"; and

(iii) if energy transition property has been transferred to an assignee, a statement that the assignee is the owner of the rights to energy transition charges and that the electric utility or other entity, if applicable, is acting as a collection agent or servicer for the assignee; and

(2) file annually with the commission:

(i) a calculation of the impact that financing the retirement or replacement of electric generating facilities has had on customer electricity rates, by customer class; and

(ii) evidence demonstrating that energy transition revenues are applied solely to the repayment of energy transition bonds and other financing costs.

(b) Energy transition charges are nonbypassable and must be paid by all existing and future customers receiving service from the electric utility or the utility's successors or assignees under commission-approved rate schedules or special contracts.

(c) An electric utility's failure to comply with this section does not invalidate, impair, or affect any financing order, energy transition property, energy transition charge, or energy transition bonds, but does subject the electric utility to penalties under applicable commission rules.

Sec. 41. **[216B.496] ENERGY TRANSITION PROPERTY.**

Subdivision 1. **General.** (a) Energy transition property is an existing present property right or interest in a property right even though the imposition and collection of energy transition charges depends on the electric utility's collecting energy transition charges and on future electricity consumption. The property right or interest exists regardless of whether the revenues or proceeds arising from the energy transition property have been billed, have accrued, or have been collected.

(b) Energy transition property exists until all energy transition bonds issued under a financing order are paid in full and all financing costs and other costs of the energy transition bonds have been recovered in full.

(c) All or any portion of energy transition property described in a financing order issued to an electric utility may be transferred, sold, conveyed, or assigned to a successor or assignee that is wholly owned, directly or indirectly, by the electric utility and is created for the limited purpose of acquiring, owning, or administering energy transition property or issuing energy transition bonds as authorized by the financing order. All or any portion of energy transition property may be pledged to secure energy transition bonds issued under a financing order, amounts payable to financing parties and to counterparties under any ancillary agreements, and other financing costs. Each transfer, sale, conveyance, assignment, or pledge by an electric utility or an affiliate of an electric utility is a transaction in the ordinary course of business.

(d) If an electric utility defaults on any required payment of charges arising from energy transition property described in a financing order, a court, upon petition by an interested party and without limiting any other remedies available to the petitioner, must order the sequestration and payment of the revenues arising from the energy transition property to the financing parties.

(e) The interest of a transferee, purchaser, acquirer, assignee, or pledgee in energy transition property specified in a financing order issued to an electric utility, and in the revenue and collections arising from that property, is not subject to setoff, counterclaim, surcharge, or defense by the electric utility or any other person, or in connection with the reorganization, bankruptcy, or other insolvency of the electric utility or any other entity.

(f) A successor to an electric utility, whether resulting from a reorganization, bankruptcy, or other insolvency proceeding, merger or acquisition, sale, other business combination, transfer by operation of law, electric utility restructuring, or otherwise, must perform and satisfy all obligations of, and has the same duties and rights under, a financing order as the electric utility to which the financing order applies, and must perform the duties and exercise the rights in the same manner and to the same extent as the electric utility, including collecting and paying to any person entitled to receive revenues, collections, payments, or proceeds of energy transition property.

Subd. 2. **Security interests in energy transition property.** (a) The creation, perfection, and enforcement of any security interest in energy transition property to secure the repayment of the principal and interest on energy transition bonds, amounts payable under any ancillary agreement, and other financing costs are governed solely by this section.

(b) A security interest in energy transition property is created, valid, and binding when:

(1) the financing order that describes the energy transition property is issued;

(2) a security agreement is executed and delivered; and

(3) value is received for the energy transition bonds.

(c) Once a security interest in energy transition property is created, the security interest attaches without any physical delivery of collateral or any other act. The lien of the security interest is valid, binding, and perfected against all parties having claims of any kind in tort, contract, or otherwise against the person granting the security interest, regardless of whether the parties have notice of the lien, upon the filing of a financing statement with the secretary of state.

(d) The description or indication of energy transition property in a transfer or security agreement and a financing statement is sufficient only if the description or indication refers to this section and the financing order creating the energy transition property.

(e) A security interest in energy transition property is a continuously perfected security interest and has priority over any other lien, created by operation of law or otherwise, which may subsequently attach to the energy transition property unless the holder of the security interest has agreed otherwise in writing.

(f) The priority of a security interest in energy transition property is not affected by the commingling of energy transition property or energy transition revenue with other money. An assignee, bondholder, or financing party has a perfected security interest in the amount of all energy transition property or energy transition revenue that is pledged to pay energy transition bonds, even if the energy transition property or energy transition revenue is deposited in a cash or deposit account of the electric utility in which the energy transition revenue is commingled with other money. Any other security interest that applies to the other money does not apply to the energy transition revenue.

(g) Neither a subsequent commission order amending a financing order under section 216B.492, subdivision 4, nor application of an adjustment mechanism, authorized by a financing order under section 216B.492, subdivision 3, affects the validity, perfection, or priority of a security interest in or transfer of energy transition property.

(h) A valid and enforceable security interest in energy transition property is perfected only when it has attached and when a financing order has been filed with the secretary of state in accordance with procedures the secretary of state may establish. The financing order must name the pledgor of the energy transition property as debtor and identify the property.

Subd. 3. **Sales of energy transition property.** (a) A sale, assignment, or transfer of energy transition property is an absolute transfer and true sale of, and not a pledge of or secured transaction relating to, the seller's right, title, and interest in, to, and under the energy transition property if the documents governing the transaction expressly state that the transaction is a sale or other absolute transfer. A transfer of an interest in energy transition property may be created when:

(1) the financing order creating and describing the energy transition property is effective;

(2) the documents evidencing the transfer of the energy transition property are executed and delivered to the assignee; and

(3) value is received.

(b) A transfer of an interest in energy transition property must be filed with the secretary of state against all third persons and perfected under sections 336.9-301 to 336.9-342, including any judicial lien or other lien creditors or any claims of the seller or creditors of the seller, other than creditors holding a prior security interest, ownership interest, or assignment in the energy transition property previously perfected under this subdivision or subdivision 2.

(c) The characterization of a sale, assignment, or transfer as an absolute transfer and true sale, and the corresponding characterization of the property interest of the assignee is not affected or impaired by:

(1) commingling of energy transition revenue with other money;

(2) the retention by the seller of:

(i) a partial or residual interest, including an equity interest, in the energy transition property, whether direct or indirect, or whether subordinate or otherwise; or

(ii) the right to recover costs associated with taxes, franchise fees, or license fees imposed on the collection of energy transition revenue;

(3) any recourse that the purchaser may have against the seller;

(4) any indemnification rights, obligations, or repurchase rights made or provided by the seller;

(5) an obligation of the seller to collect energy transition revenues on behalf of an assignee;

(6) the treatment of the sale, assignment, or transfer for tax, financial reporting, or other purposes;

(7) any subsequent financing order amending a financing order under section 216B.492, subdivision 4, paragraph (d); or

(8) any application of an adjustment mechanism under section 216B.492, subdivision 3, paragraph (a), clause (6).

Sec. 42. **[216B.497] ENERGY TRANSITION BONDS.**

(a) Banks, trust companies, savings and loan associations, insurance companies, executors, administrators, guardians, trustees, and other fiduciaries may legally invest any money within the individual's or entity's control in energy transition bonds.

(b) Energy transition bonds issued under a financing order are not debt of or a pledge of the faith and credit or taxing power of the state, any agency of the state, or any political subdivision. Holders of energy transition bonds may not have taxes levied by the state or a political subdivision in order to pay the principal or interest on energy transition bonds. The issuance of energy transition bonds does not directly, indirectly, or contingently obligate the state or a political subdivision to levy any tax or make any appropriation to pay principal or interest on the energy transition bonds.

(c) The state pledges to and agrees with holders of energy transition bonds, any assignee, and any financing parties that the state must not:

(1) take or permit any action that impairs the value of energy transition property; or

(2) reduce, alter, or impair energy transition charges that are imposed, collected, and remitted for the benefit of holders of energy transition bonds, any assignee, and any financing parties, until any principal, interest, and redemption premium payable on energy transition bonds, all financing costs, and all amounts to be paid to an assignee or financing party under an ancillary agreement are paid in full.

(d) A person who issues energy transition bonds may include the pledge specified in paragraph (c) in the energy transition bonds, ancillary agreements, and documentation related to the issuance and marketing of the energy transition bonds.

Sec. 43. **[216B.498] ASSIGNEE OF FINANCING PARTY NOT SUBJECT TO COMMISSION REGULATION.**

An assignee or financing party that is not already regulated by the commission does not become subject to commission regulation solely as a result of engaging in any transaction authorized by or described in sections 216B.491 to 216B.499.

Sec. 44. **[216B.499] EFFECT ON OTHER LAWS.**

(a) If any provision of sections 216B.491 to 216B.499 conflicts with any other law regarding the attachment, assignment, perfection, effect of perfection, or priority of any security interest in or transfer of energy transition property, sections 216B.491 to 216B.499 govern.

(b) Nothing in this subdivision precludes an electric utility for which the commission has initially issued a financing order from applying to the commission for:

(1) a subsequent financing order amending the financing order under section 216B.492, subdivision 4, paragraph (d); or

(2) approval to issue energy transition bonds to refund all or a portion of an outstanding series of energy transition bonds.

Sec. 45. **[216B.4991] ENERGY WORKER TRANSITION ACCOUNT.**

Subdivision 1. **Account established.** The energy worker transition account is established as a separate account in the special revenue fund in the state treasury. The commissioner of employment and economic development must credit to the account appropriations and transfers to the account, and payments of proceeds from the sale of bonds realized by an electric utility operating under a financing order issued by the commission under section 216B.492. Earnings, including but not limited to interest, dividends, and any other earnings arising from assets of the account, must be credited to the account. Money remaining in the account at the end of a fiscal year does not cancel to the general fund but remains in the account until expended. The commissioner of employment and economic development must manage the account.

Subd. 2. **Expenditures.** (a) Money in the account may be used only to provide assistance to workers whose employment was terminated by an electric utility that has ceased operation and issued bonds under a financing order issued by the Public Utilities Commission under section 216B.492. The types of assistance that may be provided from the account are:

(1) transition, support, and training services listed under section 116L.17, subdivision 4, clauses (1) to (5);

(2) employment and training services, as defined in section 116L.19, subdivision 4;

(3) income maintenance and support services, as defined in section 116L.19, subdivision 5;

(4) assistance to workers in starting a business, as described in section 116L.17, subdivision 11; and

(5) extension of unemployment benefits.

(b) No more than five percent of the money in the account may be used to pay the department's costs to administer the account.

(c) The commissioner may make grants to a state or local government unit, nonprofit organization, community action agency, business organization or association, or labor organization to provide the services allowed under this subdivision. No more than ten percent of the money allocated to a grantee may be used to pay administrative costs.

Sec. 46. Minnesota Statutes 2020, section 216E.03, subdivision 10, is amended to read:

Subd. 10. **Final decision.** (a) No site permit shall be issued in violation of the site selection standards and criteria established in this section and in rules adopted by the commission. When the commission designates a site, it shall issue a site permit to the applicant with any appropriate conditions. The commission shall publish a notice of its decision in the State Register within 30 days of issuance of the site permit.

(b) No route permit shall be issued in violation of the route selection standards and criteria established in this section and in rules adopted by the commission. When the commission designates a route, it shall issue a permit for the construction of a high-voltage transmission line specifying the design, routing, right-of-way preparation, and facility construction it deems necessary, and with any other appropriate conditions. The commission may order the construction of high-voltage transmission line facilities that are capable of expansion in transmission capacity through multiple circuiting or design modifications. The commission shall publish a notice of its decision in the State Register within 30 days of issuance of the permit.

(c) The commission shall require as a condition of permit issuance that the recipient of a site permit to construct a large electric power generating plant and all of the permit recipient's construction contractors and subcontractors on the project pay no less than the prevailing wage rate, as defined in section 177.42. The commission shall also require as a condition of modifying a site permit for a large electric power generating plant repowering project, as defined in section 216B.243, subdivision 8, paragraph (b), that the recipient of the site permit and all of the permit recipient's construction contractors and subcontractors on the repowering project pay no less than the prevailing wage rate, as defined in section 177.42.

(d) The commission may require as a condition of permit issuance that the recipient of a site permit to construct a large electric power generating plant and all of the permit recipient's construction contractors and subcontractors on the project participate in apprenticeship programs that are registered with the Department of Labor and Industry or the Office of Apprenticeship of the United States Department of Labor for the relevant work on the project. The commission may also require as a condition of modifying a site permit for a large electric power generating plant repowering project, as defined in section 216B.243, subdivision 8, paragraph (b), that the recipient of the site permit and all of the permit recipient's construction contractors and subcontractors on the repowering project participate in apprenticeship programs that are registered with the Department of Labor and Industry or the Office of Apprenticeship of the United States Department of Labor for the relevant work on the project. When deciding whether to require participation in apprenticeship programs that are registered with the Department of Labor and Industry or the Office of Apprenticeship of the United States Department of Labor under this paragraph, the commission shall consider relevant factors, including the direct and indirect economic impact as well as the quality, efficiency, and safety of construction on the project.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to dockets initiated at the Public Utilities Commission on or after that date.

Sec. 47. Minnesota Statutes 2020, section 216F.04, is amended to read:

216F.04 SITE PERMIT.

(a) No person may construct an LWECS without a site permit issued by the Public Utilities Commission.

(b) Any person seeking to construct an LWECS shall submit an application to the commission for a site permit in accordance with this chapter and any rules adopted by the commission. The permitted site need not be contiguous land.

(c) The commission shall make a final decision on an application for a site permit for an LWECS within 180 days after acceptance of a complete application by the commission. The commission may extend this deadline for cause.

(d) The commission may place conditions in a permit and may deny, modify, suspend, or revoke a permit.

(e) The commission shall require as a condition of permit issuance that the recipient of a site permit to construct an LWECS with a nameplate capacity above 25,000 kilowatts and all of the permit recipient's construction contractors and subcontractors on the project pay no less than the prevailing wage rate, as defined in section 177.42. The commission shall also require as a condition of modifying a site permit for an LWECS repowering project as defined in section 216B.243, subdivision 8, paragraph (b), that the recipient of the site permit and all of the permit recipient's construction contractors and subcontractors on the repowering project pay no less than the prevailing wage rate, as defined in section 177.42.

(f) The commission may require as a condition of permit issuance that the recipient of a site permit to construct an LWECS with a nameplate capacity above 25,000 kilowatts and all of the permit recipient's construction contractors and subcontractors on the project participate in apprenticeship programs that are registered with the Department of Labor and Industry or the Office of Apprenticeship of the United States Department of Labor for the relevant work on the project. The commission may also require as a condition of modifying a site permit for an LWECS repowering project as defined in section 216B.243, subdivision 8, paragraph (b), that the recipient of the site permit and all of the permit recipient's construction contractors and subcontractors on the repowering project participate in apprenticeship programs that are registered with the Department of Labor and Industry or the Office of Apprenticeship of the United States Department of Labor for the relevant work on the project. When deciding whether to require participation in apprenticeship programs that are registered with the Department of Labor and Industry or the Office of Apprenticeship of the United States Department of Labor under this paragraph, the commission shall consider relevant factors, including the direct and indirect economic impact as well as the quality, efficiency, and safety of construction on the project.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to dockets initiated at the Public Utilities Commission on or after that date.

Sec. 48. **PUBLIC UTILITIES COMMISSION; EVALUATION OF THE ROLE OF NATURAL GAS UTILITIES IN ACHIEVING STATE GREENHOUSE GAS REDUCTION GOALS.**

By August 1, 2021, the Public Utilities Commission must initiate a proceeding to evaluate changes to natural gas utility regulatory and policy structures needed to support the state's greenhouse gas emissions reductions goals, including those established in Minnesota Statutes, section 216H.02, subdivision 1, and to achieve net zero greenhouse gas emissions by 2050, as determined by the Intergovernmental Panel on Climate Change.

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

Sec. 49. **APPROPRIATIONS.**

Subdivision 1. **Construction materials; environmental impact study.** (a) $100,000 in fiscal year 2022 is appropriated from the general fund to the commissioner of administration to complete the study required under this section. This is a onetime appropriation.

(b) The commissioner of administration must contract with the Center for Sustainable Building Research at the University of Minnesota to examine the feasibility, economic costs, and environmental benefits of requiring a bid that proposes to use or construct one or more eligible materials in the construction or major renovation of a new state building to include a supply-chain specific type III environmental product declaration for each of those materials, which information must be taken into consideration in making a contract award. In conducting the study, the Center for Sustainable Building Research must examine and evaluate similar programs adopted in other states.

(c) By February 1, 2022, the commissioner of administration must submit the findings and recommendations of the study to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over environmental policy.

(d) For purposes of this section, the following terms have the meanings given:

(1) "eligible materials" means any of the following materials that function as part of a structural system or structural assembly:

(i) concrete, including structural cast in place, shortcrete, and precast;

(ii) unit masonry;

(iii) metal of any type; and

(iv) wood of any type, including but not limited to wood composites and wood-laminated products;

(2) "engineered wood" means a product manufactured by banding or fixing strands, particles, fiber, or veneers of boards of wood by means of adhesives, combined with heat and pressure, or other methods to form composite material;

(3) "state building" means a building owned by the state of Minnesota;

(4) "structural" means a building material or component that supports gravity loads of building floors, roofs, or both, and is the primary lateral system resisting wind and earthquake loads, including but not limited to shear walls, braced or moment frames, foundations, below-grade walls, and floors;

(5) "supply-chain specific" means an environmental product declaration that includes supply-chain specific data for production processes that contribute to 80 percent or more of a product's lifecycle global warming potential. For engineered wood products, "supply-chain specific" also means an environmental product declaration that reports:

(i) any chain of custody certification; and

(ii) the percentage of wood, by volume, used in the product that is sourced:

(A) by state or province and country;

(B) by type of owner, whether federal, state, private, or other; and

(C) with forest management certification; and

(6) "type III environmental product declaration" means a document verified and registered by a third party that contains a life-cycle assessment of the environmental impacts, including but not limited to the use of water, land, and energy resources in the manufacturing process, of a specific product constructed or manufactured by a specific firm and that meets the applicable standards developed and maintained for such assessments by the International Organization for Standardization (ISO).

Subd. 2. **Natural gas innovation plan; implementation.** (a) $189,000 in fiscal year 2022 and $189,000 in fiscal year 2023 are appropriated from the general fund to the commissioner of commerce for activities associated with a utility's implementation of a natural gas innovation plan under Minnesota Statutes, section 216B.2427.

(b) $112,000 in fiscal year 2022 and $112,000 in fiscal year 2023 are appropriated from the general fund to the Public Utilities Commission for the activities associated with a utility's implementation of a natural gas innovation plan under Minnesota Statutes, section 216B.2427.

Subd. 3. **Energy Transition Office.** Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), $450,000 in fiscal year 2022 and $450,000 in fiscal year 2023 are appropriated from the renewable development account established in Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of employment and economic development to operate the Energy Transition Office established under Minnesota Statutes, section 116J.5491.

Subd. 4. **Minnesota Innovation Finance Authority.** Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), $10,000,000 in fiscal year 2022 is appropriated from the renewable development account established under Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of commerce to transfer to the Minnesota Innovation Finance Authority established under Minnesota Statutes, section 216C.441. This is a onetime appropriation. Of this amount, the Minnesota Innovation Finance Authority may obligate up to $50,000 for start-up expenses, including but not limited to expenses incurred prior to incorporation.

Subd. 5. **Beneficial electrification.** (a) $30,000 in fiscal year 2022 and $30,000 in fiscal year 2023 are appropriated from the general fund to the commissioner of commerce to participate in Public Utilities Commission proceedings regarding utility beneficial electrification plans, as described in Minnesota Statutes, section 216B.248.

(b) $56,000 in fiscal year 2022 and $28,000 in fiscal year 2023 are appropriated from the general fund to the Public Utilities Commission for activities associated with utility beneficial electrification plans, as described in Minnesota Statutes, section 216B.248.

Subd. 6. **Securitization.** (a) $126,000 in fiscal year 2022 and $126,000 in fiscal year 2023 are appropriated from the general fund to the commissioner of commerce to implement Minnesota Statutes, sections 216B.491 to 216B.4991.

(b) $207,000 in fiscal year 2022 and $147,000 in fiscal year 2023 are appropriated from the general fund to the Public Utilities Commission to implement Minnesota Statutes, sections 216B.491 to 216B.4991.

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

Sec. 50. **REPEALER.**

Minnesota Statutes 2020, section 216B.1691, subdivision 2, is repealed.

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

ARTICLE 9
CLIMATE CHANGE

Section 1. **[16B.312] CONSTRUCTION MATERIALS; ENVIRONMENTAL ANALYSIS.**

Subdivision 1. **Title.** This section may be known and cited as the "Buy Clean and Buy Fair Minnesota Act."

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

(a) "Carbon steel" means steel in which the main alloying element is carbon and whose properties are chiefly dependent on the percentage of carbon present.

(b) "Department" means the Department of Administration.

(c) "Eligible material category" means:

(1) carbon steel rebar;

(2) structural steel;

(3) photovoltaic devices, as defined in section 216C.06, subdivision 16; or

(4) an energy storage system, as defined in section 216B.2421, subdivision 1, paragraph (f), that is installed as part of an eligible project.

(d) "Eligible project" means:

(1) new construction of a state building larger than 50,000 gross square feet of occupied or conditioned space; or

(2) renovation of more than 50,000 gross square feet of occupied or conditioned space in a state building whose renovation cost exceeds 50 percent of the building's assessed value.

(e) "Environmental product declaration" means a supply chain specific type III environmental product declaration that:

(1) contains a lifecycle assessment of the environmental impacts of manufacturing a specific product by a specific firm, including the impacts of extracting and producing the raw materials and components that compose the product;

(2) is verified and registered by a third party; and

(3) meets the applicable standards developed and maintained for such assessments by the International Organization for Standardization (ISO).

(f) "Global warming potential" has the meaning given in section 216H.10, subdivision 5.

(g) "Greenhouse gas" has the meaning given to statewide greenhouse gas emissions in section 216H.01, subdivision 2.

(h) "Lifecycle" means an analysis that includes the environmental impacts of all stages of a specific product's production, from mining and processing the product's raw materials to the process of manufacturing the product.

(i) "Rebar" means a steel reinforcing bar or rod encased in concrete.

(j) "State building" means a building whose construction or renovation is funded wholly or partially from the proceeds of bonds issued by the state of Minnesota.

(k) "Structural steel" means steel that is classified by the shapes of its cross-sections, such as I, T, and C shapes.

(l) "Supply chain specific" means an environmental product declaration that includes specific data for the production processes of the materials and components composing a product that contribute at least 80 percent of the product's lifecycle global warming potential, as defined in International Organization for Standardization standard 21930.

Subd. 3. **Standard; maximum global warming potential.** (a) No later than September 1, 2022, the commissioner shall establish and publish a maximum acceptable global warming potential for each eligible material used in an eligible project, in accordance with the following requirements:

(1) the commissioner shall, after considering nationally or internationally recognized databases of environmental product declarations for an eligible material category, establish the maximum acceptable global warming potential at the industry average global warming potential for that eligible material category; and

(2) the commissioner may set different maximums for different specific products within each eligible material category.

The global warming potential shall be provided in a manner that is consistent with criteria in an environmental product declaration.

(b) No later than September 1, 2025, and every three years thereafter, the commissioner shall review the maximum acceptable global warming potential for each eligible materials category and for specific products within an eligible materials category established under paragraph (a). The commissioner may adjust those values downward for any eligible material category or product to reflect industry improvements if the commissioner, based on the process described in paragraph (a), clause (1), determines that the industry average has declined. The commissioner must not adjust the maximum acceptable global warming potential upward for any eligible material category or product.

Subd. 4. **Bidding process.** (a) Except as provided in paragraph (c), the department shall require in a specification for bids for an eligible project that the global warming potential reported by a bidder in the environmental product declaration for any eligible material category must not exceed the maximum acceptable global warming potential for that eligible material category or product established under subdivision 2. The department may require in a specification for bids for an eligible project a global warming potential for any eligible material that is lower than the maximum acceptable global warming potential for that material established under subdivision 2.

(b) Except as provided in paragraph (c), a successful bidder for a contract must not use or install any eligible material on the project until the commissioner has provided notice to the bidder in writing that the commissioner has determined that a supply chain-specific environmental product declaration submitted by the bidder for that material meets the requirements of this subdivision.

(c) A bidder may be exempted from the requirements of paragraphs (a) and (b) if the commissioner determines that complying with the provisions of paragraph (a) would create financial hardship for the bidder. The commissioner shall make a determination of hardship if the commissioner finds that:

(1) the bidder has made a good faith effort to obtain the data required in an environmental product declaration; and

(2) the bidder has provided all the data obtained in pursuit of an environmental product declaration to the commissioner; and

(3) based on a detailed estimate of the costs of obtaining an environmental product declaration, and taking into consideration the bidder's annual gross revenues, complying with paragraph (a) would cause the bidder financial hardship; or

(4) complying with paragraph (a) would disrupt the bidder's ability to perform contractual obligations.

Subd. 5. **Pilot program.** (a) No later than July 1, 2022, the department must establish a pilot program that seeks to obtain from vendors an estimate of the lifecycle greenhouse gas emissions, including greenhouse gas emissions from mining raw materials, of products selected by the department from among the products the department procures. The pilot program must encourage but must not require a product vendor to submit the following data for each selected product that represents at least 90 percent of the total cost of the materials or components used in the selected product:

(1) the quantity of the product purchased by the department;

(2) a current environmental product declaration for the product;

(3) the name and location of the product's manufacturer;

(4) a copy of the product vendor's Supplier Code of Conduct, if any;

(5) names and locations of the product's actual production facilities; and

(6) an assessment of employee working conditions at the product's actual production facilities.

(b) The department must construct a publicly accessible database posted on the department's website containing the data reported under this subdivision. The data must be reported in a manner that precludes, directly, or in combination with other publicly available data, the identification of the product manufacturer.

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

Sec. 2. Minnesota Statutes 2020, section 216H.02, subdivision 1, is amended to read:

Subdivision 1. **Greenhouse gas emissions-reduction goal.** (a) It is the goal of the state to reduce statewide greenhouse gas emissions across all sectors producing those emissions ~~to a level at least 15 percent below 2005 levels by 2015, to a level at least 30 percent below 2005 levels by 2025, and to a level at least 80 percent below 2005 levels by 2050.~~ by at least the following amounts, compared with the level of emissions in 2005:

(1) 15 percent by 2015;

(2) 30 percent by 2025;

(3) 45 percent by 2030; and

(4) net zero by 2050.

(b) The ~~levels~~ targets shall be reviewed ~~based on the climate change action plan study.~~ annually by the commissioner of the Pollution Control Agency, taking into account the latest scientific research on the impacts of climate change and strategies to reduce greenhouse gas emissions published by the Intergovernmental Panel on Climate Change. The commissioner shall forward any recommended changes to the targets to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over climate change and environmental policy.

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

Sec. 3. **[239.7912] FUTURE FUELS ACT.**

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

(b) "Carbon dioxide equivalent" means the number of metric tons of carbon dioxide emissions that have the same global warming potential as one metric ton of another greenhouse gas.

(c) "Carbon intensity" means the quantity of life cycle greenhouse gas emissions associated with a unit of a specific transportation fuel, expressed in grams of carbon dioxide equivalent per megajoule of transportation fuel, as calculated by the most recent version of Argonne National Laboratory's GREET model and adapted to Minnesota by the department through rulemaking or administrative process.

(d) "Clean fuel" means a transportation fuel that has a carbon intensity level that is below the clean fuels carbon intensity standard in a given year.

(e) "Credit" means a unit of measure equal to one metric ton of carbon dioxide equivalent, and that serves as a quantitative measure of the degree to which a fuel provider's transportation fuel volume is lower than the carbon intensity embodied in an applicable clean fuels standard.

(f) "Credit generator" means an entity involved in supplying a clean fuel.

(g) "Deficit" means a unit of measure (1) equal to one metric ton of carbon dioxide equivalent, and (2) that serves as a quantitative measure of the degree to which a fuel provider's volume of transportation fuel is greater than the carbon intensity embodied in an applicable future fuels standard.

(h) "Deficit generator" means a fuel provider who generates deficits and who first produces or imports a transportation fuel for use in Minnesota.

(i) "Fuel life cycle" means the total aggregate greenhouse gas emissions resulting from all stages of a fuel pathway for a specific transportation fuel.

(j) "Fuel pathway" means a detailed description of all stages of a transportation fuel's production and use, including extraction, processing, transportation, distribution, and combustion or use by an end-user.

(k) "Fuel provider" means an entity that supplies a transportation fuel for use in Minnesota.

(l) "Global warming potential" or "GWP" means a quantitative measure of a greenhouse gas emission's potential to contribute to global warming over a 100-year period, expressed in terms of the equivalent carbon dioxide emission needed to produce the same 100-year warming effect.

(m) "Greenhouse gas" means carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, or sulfur hexafluoride.

(n) "Motor vehicle" has the meaning given in section 169.011, subdivision 42.

(o) "Relevant petroleum-only portion of transportation fuels" means the component of gasoline or diesel fuel prior to blending with ethanol, biodiesel, or other biofuel.

(p) "Technology provider" means a manufacturer of an end-use consumer technology involved in supplying clean fuels.

(q) "Transportation fuel" means electricity or a liquid or gaseous fuel that (1) is blended, sold, supplied, offered for sale, or used to propel a motor vehicle, including but not limited to train, light rail vehicle, ship, aircraft, forklift, or other road or nonroad vehicle in Minnesota, and (2) meets applicable standards, specifications, and testing requirements under this chapter. Transportation fuel includes but is not limited to electricity used as fuel in a motor vehicle, gasoline, diesel, ethanol, biodiesel, renewable diesel, propane, renewable propane, natural gas, renewable natural gas, hydrogen, aviation fuel, and biomethane.

Subd. 2. **Clean fuels standard; establishment by rule; goals.** (a) No later than October 1, 2021, the commissioner must publish notice of the intent to adopt rules, as required under section 14.22, that implement a clean fuels standard and other provisions of this section. The timing requirement to publish a notice of intent to adopt rules or notice of hearing under section 14.125 does not apply to rules adopted under this subdivision.

(b) The commissioner must consult with the commissioners of transportation, agriculture, and the Pollution Control Agency when developing the rules under this subdivision. The commissioner may gather input from stakeholders through various means, including a task force, working groups, and public workshops. The commissioner, collaborating with the Department of Transportation, may consult with stakeholders, including but not limited to fuel providers; consumers; rural, urban, and Tribal communities; agriculture; environmental and environmental justice organizations; technology providers; and other businesses.

(c) When developing the rule, the commissioner must endeavor to make available to Minnesota a fuel-neutral clean fuels portfolio that:

(1) creates broad rural and urban economic development;

(2) provides benefits for communities, consumers, clean fuel providers, technology providers, and feedstock suppliers;

(3) increases energy security from expanded reliance on domestically produced fuels;

(4) supports equitable transportation electrification that benefits all communities and is powered primarily with low-carbon and carbon-free electricity;

(5) improves air quality and public health, targeting communities that bear a disproportionate health burden from transportation pollution;

(6) supports state solid waste recycling goals by facilitating credit generation from renewable natural gas produced from organic waste;

(7) aims to support, through credit generation or other financial means, voluntary farmer-led efforts to adopt agricultural practices that benefit soil health and water quality while contributing to lower life cycle greenhouse gas emissions from clean fuel feedstocks;

(8) maximizes benefits to the environment and natural resources, develops safeguards and incentives to protect natural lands, and enhances environmental integrity, including biodiversity; and

(9) is the result of extensive outreach efforts to stakeholders and communities that bear a disproportionate health burden from pollution from transportation or from the production and transportation of transportation fuels.

Subd. 3. **Clean fuels standard; establishment.** (a) A clean fuels standard is established that requires the aggregate carbon intensity of transportation fuel supplied to Minnesota be reduced to at least 20 percent below the 2018 baseline level by the end of 2035. In consultation with the Pollution Control Agency, Department of Agriculture, and Department of Transportation, the commissioner must establish by rule a schedule of annual standards that steadily decreases the carbon intensity of transportation fuels.

(b) When determining the schedule of annual standards, the commissioner must consider the cost of compliance, the technologies available to a provider to achieve the standard, the need to maintain fuel quality and availability, and the policy goals under subdivision 2, paragraph (c).

(c) Nothing in this chapter precludes the department from adopting rules that allow the generation of credits associated with electric or alternative transportation fuels or infrastructure that existed prior to the effective date of this section or the start date of program requirements.

Subd. 4. **Clean fuels standard; baseline calculation.** The department must calculate the baseline carbon intensity of the relevant petroleum-only portion of transportation fuels for the 2018 calendar year after reviewing and considering the best available applicable scientific data and calculations.

Subd. 5. **Clean fuels standard; compliance.** A deficit generator may comply with this section by:

(1) producing or importing transportation fuels whose carbon intensity is at or below the level of the applicable year's standard; or

(2) purchasing sufficient credits to offset any aggregate deficits resulting from the carbon intensity of the deficit generator's transportation fuels exceeding the applicable year's standard.

Subd. 6. **Clean fuel credits.** The commissioner must establish by rule a program for tradeable credits and deficits. The commissioner must adopt rules to fairly and reasonably operate a credit market that may include:

(1) a market mechanism that allows credits to be traded or banked for future use;

(2) transaction fees associated with the credit market; and

(3) procedures to verify the validity of credits and deficits generated by a fuel provider under this section.

Subd. 7. **Fuel pathway and carbon intensity determination.** The commissioner must establish a process to determine the carbon intensity of transportation fuels, including but not limited to the review by the commissioner of a fuel pathway submitted by a fuel provider. Fuel pathways must be calculated using the most recent version of the Argonne National Laboratory's GREET model adapted to Minnesota, as determined by the commissioner. The fuel pathway determination process must (1) be consistent for all fuel types, (2) be science- and engineering-based, and (3) reflect differences in vehicle fuel efficiency and drive trains. The commissioner must consult with the Department of Agriculture, Department of Transportation, and Pollution Control Agency to determine fuel pathways, and may coordinate with third-party entities or other states to review and approve pathways to reduce the administrative cost.

Subd. 8. **Fuel provider reports.** The commissioner must collaborate with the Department of Transportation, Department of Agriculture, Pollution Control Agency, and the Public Utilities Commission to develop a process, including forms developed by the commissioner, for credit and deficit generators to submit required compliance reporting.

Subd. 9. **Enforcement.** The commissioner of commerce may enforce this section under section 45.027.

Subd. 10. **Report to legislature.** No later than 48 months after the effective date of a rule implementing a clean fuels standard, the commissioner must submit a report detailing program implementation to the chairs and ranking minority members of the senate and house committees with jurisdiction over transportation and climate change. The commissioner must make summary information on the program available to the public.

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

Sec. 4. **INTEGRATING GREENHOUSE GAS REDUCTIONS INTO STATE ACTIVITIES; PLAN.**

By February 15, 2022, the Climate Change Subcabinet established in Executive Order 19-37 must provide to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over climate and energy a preliminary report on a Climate Transition Plan for incorporating the statewide greenhouse gas emission reduction targets under Minnesota Statutes, section 216H.02, subdivision 1, into all aspects of state agency activities, including but not limited to planning, awarding grants, purchasing, regulating, funding, and permitting. The preliminary report must identify statutory changes required for this purpose. The Pollution Control Agency must collaborate with the Department of Administration to estimate greenhouse gas emissions from governmental activities. The final Climate Transition Plan is due August 1, 2022, and must identify any additional resources required to implement the plan's recommendations.

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

Sec. 5. **SMALL-AREA CLIMATE MODEL PROJECTIONS FOR MINNESOTA.**

(a) The Board of Regents of the University of Minnesota is requested to conduct a study that generates climate model projections for the entire state of Minnesota at a level of detail as small as three square miles in area. At a minimum, the study must:

(1) use resources at the Minnesota Supercomputing Institute to analyze high-performing climate models under varying greenhouse gas emissions scenarios and develop a series of projections of temperature, precipitation, snow cover, and a variety of other climate parameters through the year 2100;

(2) downscale the climate impact results under clause (1) to areas as small as three square miles;

(3) develop a publicly accessible data portal website to:

(i) allow other universities, nonprofit organizations, businesses, and government agencies to use the model projections; and

(ii) educate and train users to use the data most effectively; and

(4) incorporate information on how to use the model results in the University of Minnesota Extension's climate education efforts, in partnership with the Minnesota Climate Adaptation Partnership.

(b) In conjunction with the study, the university must conduct at least two "train the trainer" workshops for state agencies, municipalities, and other stakeholders to educate attendees regarding how to use and interpret the model data as a basis for climate adaptation and resilience efforts.

(c) Beginning July 1, 2022, and continuing each July 1 through 2024, the University of Minnesota must provide a written report to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over agriculture, energy, and environment. The report must document the progress made on the study and study results and must note any obstacles encountered that could prevent successful completion of the study.

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

Sec. 6. **APPROPRIATIONS.**

Subdivision 1. **Buy clean, buy fair.** $176,000 in fiscal year 2022 and $40,000 in fiscal year 2023 are appropriated from the general fund to the commissioner of administration for costs to establish (1) maximum global warming potential standards for certain construction materials, and (2) the pilot program for vendors under Minnesota Statutes, section 16B.312. The base in fiscal year 2024 is $40,000 and the base in fiscal year 2025 is $90,000. The base in fiscal year 2026 is $0.

Subd. 2. **Clean fuels report.** Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), $100,000 in fiscal year 2022 is appropriated from the renewable development account established in Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of commerce to pay for costs incurred to create the report under Minnesota Statutes, section 239.7912, subdivision 10. The money from this appropriation does not cancel but remains available until expended. This is a onetime appropriation.

Subd. 3. **Small-area climate-model projections.** Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), $583,000 in fiscal year 2022 is appropriated from the renewable development account established under Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of commerce for a grant to the Board of Regents of the University of Minnesota to conduct the study requested under section 5 that generates climate model projections for the entire state of Minnesota, at a level of detail as small as three square miles in area. This is a onetime appropriation.

Subd. 4. **Climate Transition Plan.** (a) Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j):

(1) $500,000 in fiscal year 2022 is appropriated from the renewable development account established in Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of the Pollution Control Agency to contract with an independent consultant to produce a plan, as directed by the Climate Change Subcabinet, to incorporate the state's greenhouse gas emissions reduction targets into all activities of state agencies;

(2) $118,000 in fiscal year 2022 is appropriated from the renewable development account established in Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of administration to develop greenhouse gas emissions reduction targets that apply to all state agency activities; and

(3) $128,000 in fiscal year 2022 is appropriated from the renewable development account established in Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of the Pollution Control Agency for costs associated with managing the contract under clause (1), and to assist the Department of Administration to develop greenhouse gas emissions reduction targets that apply to all state agency activities.

(b) All the appropriations in this subdivision are onetime appropriations.

ARTICLE 10
ELECTRIC VEHICLES

Section 1. Minnesota Statutes 2020, section 16C.135, subdivision 3, is amended to read:

Subd. 3. **Vehicle purchases.** (a) Consistent with section 16C.137, subdivision 1, when purchasing a motor vehicle for the central motor pool or for use by an agency, the commissioner or the agency shall purchase ~~a motor vehicle that is capable of being powered by cleaner fuels, or a motor vehicle powered by electricity or by a combination of electricity and liquid fuel, if the total life-cycle cost of ownership is less than or comparable to that of other vehicles and if the vehicle is capable~~ the motor vehicle in conformity with the following hierarchy of preferences:

(1) an electric vehicle;

(2) a hybrid electric vehicle;

(3) a vehicle capable of being powered by cleaner fuels; and

(4) a vehicle powered by gasoline or diesel fuel.

(b) The commissioner may only reject a vehicle type that is higher on the hierarchy of preferences if:

(1) the vehicle type is incapable of carrying out the purpose for which it is purchased~~.~~; or

(2) the total life-cycle cost of ownership of a preferred vehicle type is more than ten percent higher than the next lower preference vehicle type.

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

Sec. 2. Minnesota Statutes 2020, section 16C.137, subdivision 1, is amended to read:

Subdivision 1. **Goals and actions.** Each state department must, whenever legally, technically, and economically feasible, subject to the specific needs of the department and responsible management of agency finances:

(1) ensure that all new on-road vehicles ~~purchased~~, excluding emergency and law enforcement vehicles~~:~~, are purchased in conformity with the hierarchy of preferences established in section 16C.135, subdivision 3;

~~(i) use "cleaner fuels" as that term is defined in section 16C.135, subdivision 1;~~

~~(ii) have fuel efficiency ratings that exceed 30 miles per gallon for city usage or 35 miles per gallon for highway usage, including but not limited to hybrid electric cars and hydrogen-powered vehicles; or~~

~~(iii) are powered solely by electricity;~~

(2) increase its use of renewable transportation fuels, including ethanol, biodiesel, and hydrogen from agricultural products; and

(3) increase its use of web-based Internet applications and other electronic information technologies to enhance the access to and delivery of government information and services to the public, and reduce the reliance on the department's fleet for the delivery of such information and services.

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

Sec. 3. Minnesota Statutes 2020, section 168.27, is amended by adding a subdivision to read:

Subd. 2a. **Dealer training; electric vehicles.** (a) A new motor vehicle dealer licensed under this chapter that operates under an agreement or franchise from a manufacturer and sells electric vehicles must maintain at least one employee who is certified as having completed a training course offered by a Minnesota motor vehicle dealership association that addresses at least the following elements:

(1) fundamentals of electric vehicles;

(2) electric vehicle charging options and costs;

(3) publicly available electric vehicle incentives;

(4) projected maintenance and fueling costs for electric vehicles;

(5) reduced tailpipe emissions, including greenhouse gas emissions, produced by electric vehicles;

(6) the impacts of Minnesota's cold climate on electric vehicle operation; and

(7) best practices to sell electric vehicles.

(b) This subdivision does not apply to a licensed dealer selling new electric vehicles of a manufacturer's own brand, but who is not operating under a franchise agreement with the manufacturer.

(c) For the purposes of this section, "electric vehicle" has the meaning given in section 169.011, subdivision 26a, paragraphs (a) and (b), clause (3).

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

Sec. 4. **[216B.1615] ELECTRIC VEHICLE DEPLOYMENT PROGRAM.**

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

(b) "Battery exchange station" means a physical location deploying equipment that enables a used electric vehicle battery to be removed and exchanged for a fresh electric vehicle battery.

(c) "Electric vehicle" has the meaning given in section 169.011, subdivision 26a.

(d) "Electric vehicle charging station" means a physical location deploying equipment that:

(1) transfers electricity to an electric vehicle battery; or

(2) dispenses hydrogen, produced by electrolysis, into an electric vehicle that uses a fuel cell to convert the hydrogen to electricity.

(e) "Electric vehicle infrastructure" means electric vehicle charging stations and battery exchange stations, and any associated machinery, equipment, and infrastructure necessary to support the operation of electric vehicles and to make electricity from a public utility's electric distribution system available to electric vehicle charging stations or battery exchange stations.

(f) "Electrolysis" means the process of using electricity to split water into hydrogen and oxygen.

(g) "Fuel cell" means a cell that converts the chemical energy of hydrogen directly into electricity through electrochemical reactions.

(h) "Public utility" has the meaning given in section 216B.02, subdivision 4.

Subd. 2. **Transportation electrification plan; contents.** (a) By June 1, 2022, and by June 1 every three years thereafter, a public utility serving retail electric customers in a city of the first class, as defined in section 410.01, must file a transportation electrification plan with the commission that is designed to maximize the overall benefits of electrified transportation while minimizing overall costs and to promote:

(1) the purchase of electric vehicles by the public utility's customers; and

(2) the deployment of electric vehicle infrastructure in the public utility's service territory.

(b) A transportation electrification plan may include but is not limited to the following elements:

(1) programs to educate and increase the awareness and benefits of electric vehicles and electric vehicle charging equipment to potential users and deployers, including individuals, electric vehicle dealers, single-family and multifamily housing developers and property management companies, and vehicle fleet managers;

(2) utility investments and incentives to facilitate the deployment of electric vehicles, customer- or utility-owned electric vehicle charging stations, electric vehicle infrastructure, and other electric utility infrastructure;

(3) research and demonstration projects to publicize and measure the value electric vehicles provide to the electric grid;

(4) rate structures or programs, including time-varying rates and charging optimization programs, that encourage electric vehicle charging that optimizes electric grid operation; and

(5) programs to increase access to the benefits of electricity as a transportation fuel by low-income customers and communities, including the installation of electric vehicle infrastructure in neighborhoods with a high proportion of low- or moderate-income households, the deployment of electric vehicle infrastructure in community-based locations or multifamily residences, car share programs, and electrification of public transit vehicles.

(c) A public utility must give priority under this section to making investments in communities whose governing body has enacted a resolution or goal supporting electric vehicle adoption.

(d) A public utility must work with local communities to identify suitable high-density locations, consistent with a community's local development plans, where electric vehicle infrastructure may be strategically deployed.

Subd. 3. **Transportation electrification plan; review and implementation.** The commission must review a transportation electrification plan filed under this section within 180 days of receiving the plan. The commission may approve, modify, or reject a transportation electrification plan. When reviewing a public utility's transportation electrification plan, the commission must consider whether the programs and expenditures:

(1) improve electric grid operation and the integration of renewable energy sources;

(2) increase access to the benefits of electricity as a transportation fuel in low-income and rural communities;

(3) reduce statewide greenhouse gas emissions, as defined in section 216H.01, and emissions of other air pollutants that impair the environment and public health;

(4) stimulate private capital investment and the creation of skilled jobs as a consequence of widespread electric vehicle deployment;

(5) educate potential customers about the benefits of electric vehicles;

(6) support increased consumer choice with respect to electrical vehicle charging options and related infrastructure; and

(7) are transparent and incorporate sufficient and frequent public reporting of program activities to facilitate changes in program design and commission policy with respect to electric vehicles.

Subd. 4. **Cost recovery.** (a) Notwithstanding any other provision of this chapter, the commission may approve, with respect to any prudent and reasonable investment made by a public utility to administer and implement a transportation electrification plan approved under subdivision 3:

(1) a rider or other tariff mechanism for the automatic annual adjustment of charges;

(2) performance-based incentives; or

(3) placing the investment, including rebates, in the public utility's rate base and allowing the public utility to earn a rate of return on the investment at (i) the public utility's average weighted cost of capital, including the rate of return on equity, approved by the commission in the public utility's most recent general rate case, or (ii) another rate determined by the commission.

(b) Notwithstanding section 216B.16, subdivision 8, paragraph (a), clause (3), the commission must approve recovery costs for expenses reasonably incurred by a public utility to provide public advertisement as part of a transportation electrification plan approved by the commission under subdivision 3.

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

Sec. 5. **[216B.1616] ELECTRIC SCHOOL BUS DEPLOYMENT PROGRAM.**

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

(b) "Battery exchange station" means a physical location where equipment is deployed that enables a used electric vehicle battery to be exchanged for a fully charged battery.

(c) "Electric school bus" means an electric vehicle that is a school bus.

(d) "Electric vehicle" has the meaning given in section 169.011, subdivision 26a.

(e) "Electric vehicle charging station" means a physical location deploying equipment that delivers electricity to a battery in an electric vehicle.

(f) "Electric vehicle infrastructure" means electric vehicle charging stations and battery exchange stations, and any other infrastructure necessary to make electricity from a public utility's electric distribution system available to electric vehicle charging stations or battery exchange stations.

(g) "Poor air quality" means:

(1) ambient air levels that air monitoring data reveals approach or exceed state or federal air quality standards or chronic health inhalation risk benchmarks for any of the following pollutants:

(i) total suspended particulates;

(ii) particulate matter less than ten microns wide (PM-10);

(iii) particulate matter less than 2.5 microns wide (PM-2.5);

(iv) sulfur dioxide; or

(v) nitrogen dioxide; or

(2) levels of asthma among children that significantly exceed the statewide average.

(h) "School bus" has the meaning given in section 169.011, subdivision 71.

Subd. 2. **Program.** (a) A public utility may file with the commission a program to promote deployment of electric school buses.

(b) The program may include but is not limited to the following elements:

(1) a school district may purchase one or more electric school buses;

(2) the public utility may provide a rebate to the school district for the incremental cost the school district incurs to purchase one or more electric school buses compared with fossil-fuel-powered school buses;

(3) at the request of a school district, the public utility may deploy on the school district's real property electric vehicle infrastructure required for charging electric school buses;

(4) for any electric school bus purchased by a school district with a rebate provided by the public utility, the school district must enter into a contract with the public utility under which the school district:

(i) accepts any and all liability for operation of the electric school bus;

(ii) accepts responsibility to maintain and repair the electric school bus; and

(iii) must allow the public utility the option to own the electric school bus's battery at the time the battery is retired from the electric school bus; and

(5) in collaboration with a school district, prioritize the deployment of electric school buses in areas of the school district that suffer from poor air quality.

Subd. 3. **Program review and implementation.** The commission must approve, modify, or reject a proposal for a program filed under this section within 180 days of the date the proposal is received, based on the proposal's likelihood to, through prudent and reasonable utility investments:

(1) accelerate deployment of electric school buses in the public utility's service territory, particularly in areas with poor air quality; and

(2) reduce emissions of greenhouse gases and particulates compared to those produced by fossil-fuel-powered school buses.

Subd. 4. **Cost recovery.** (a) The commission may allow any prudent and reasonable investment made by a public utility on electric vehicle infrastructure installed on a school district's real property, or a rebate provided under subdivision 2, to be placed in the public utility's rate base and earn a rate of return as determined by the commission.

(b) Notwithstanding any other provision of this chapter, the commission may approve a tariff mechanism for the automatic annual adjustment of charges for prudent and reasonable investments made by a public utility to implement and administer a program approved by the commission under subdivision 3.

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

Sec. 6. **[216C.401] ELECTRIC VEHICLE REBATES.**

Subdivision 1. **Definitions.** (a) For purposes of this section and section 216C.402, the terms in this subdivision have the meanings given.

(b) "Dealer" means a person, firm, or corporation that possesses a new motor vehicle license under chapter 168 and:

(1) regularly engages in the business of manufacturing or selling, purchasing, and generally dealing in new and unused motor vehicles;

(2) has an established place of business to sell, trade, and display new and unused motor vehicles; and

(3) possesses new and unused motor vehicles to sell or trade the motor vehicles.

(c) "Electric vehicle" means a passenger vehicle, as defined in section 169.011, subdivision 52, that is also an electric vehicle, as defined in section 169.011, subdivision 26a, paragraph (a). Electric vehicle does not include a plug-in hybrid electric vehicle, as defined in section 169.011, subdivision 54a.

(d) "Eligible new electric vehicle" means an electric vehicle that meets the requirements of subdivision 2, paragraph (a).

(e) "Eligible used electric vehicle" means an electric vehicle that meets the requirements of subdivision 2, paragraph (c).

(f) "Lease" means a business transaction under which a dealer furnishes an eligible electric vehicle to a person for a fee under a bailor-bailee relationship where no incidences of ownership transferred, other than the right to use the vehicle for a term of at least 24 months.

(g) "Lessee" means a person who leases an eligible electric vehicle from a dealer.

(h) "New eligible electric vehicle" means an eligible electric vehicle that has not been registered in any state.

Subd. 2. **Eligible vehicle.** (a) A new electric vehicle is eligible for a rebate under this section if the vehicle meets all of the following conditions, and, if applicable, one of the conditions of paragraph (b):

(1) has not been previously owned or has been returned to a dealer before the purchaser or lessee takes delivery, even if the electric vehicle is registered in Minnesota;

(2) has not been modified from the original manufacturer's specifications;

(3) has a base manufacturer's suggested retail price that does not exceed $50,000;

(4) is purchased or leased after the effective date of this act for use by the purchaser and not for resale; and

(5) is purchased or leased from a dealer or directly from an original equipment manufacturer that does not have licensed franchised dealers in Minnesota.

(b) A new electric vehicle is eligible for a rebate under this section if, in addition to meeting all of the conditions of paragraph (a), it also meets one or more of the following conditions, if applicable:

(1) is used by a dealer as a floor model or test drive vehicle and has not been previously registered in Minnesota or any other state; or

(2) is returned to a dealer by a purchaser or lessee within two weeks of purchase or leasing or when a purchaser's financing for the new electric vehicle has been disapproved.

(c) A used electric vehicle is eligible for an electric vehicle rebate under this section if the electric vehicle has previously been owned in this state or another state and has not been modified from the original manufacturer's specifications.

Subd. 3. **Eligible purchaser or lessee.** A person who purchases or leases an eligible new or used electric vehicle is eligible for a rebate under this section if the purchaser or lessee:

(1) is one of the following:

(i) a resident of Minnesota, as defined in section 290.01, subdivision 7, paragraph (a), when the electric vehicle is purchased or leased;

(ii) a business that has a valid address in Minnesota from which business is conducted;

(iii) a nonprofit corporation incorporated under chapter 317A; or

(iv) a political subdivision of the state;

(2) has not received a rebate or tax credit for the purchase or lease of an electric vehicle from Minnesota; and

(3) registers the electric vehicle in Minnesota.

Subd. 4. **Rebate amounts.** (a) A $2,000 rebate may be issued under this section to an eligible purchaser to purchase or lease an eligible new electric vehicle.

(b) A $500 rebate may be issued under this section to an eligible purchaser or lessee of an eligible used electric vehicle.

(c) A purchaser or lessee whose household income at the time the eligible electric vehicle is purchased or leased is less than 150 percent of the current federal poverty guidelines established by the Department of Health and Human Services is eligible for a rebate in addition to a rebate under paragraph (a) or (b), as applicable, of $500 to purchase or lease an eligible new electric vehicle and $100 to purchase or lease an eligible used electric vehicle.

Subd. 5. **Limits.** The number of rebates allowed under this section is limited to:

(1) no more than one rebate per resident per household; and

(2) no more than one rebate per business entity per year.

Subd. 6. **Program administration.** (a) Rebate applications under this section must be filed with the commissioner on a form developed by the commissioner.

(b) The commissioner must develop administrative procedures governing the application and rebate award process. Applications must be reviewed and rebates awarded by the commissioner on a first-come, first-served basis.

(c) The commissioner must, in coordination with dealers and other state agencies as applicable, develop a procedure to allow a rebate to be used by an eligible purchaser or lessee at the point of sale so that the rebate amount may be subtracted from the selling price of the eligible electric vehicle.

(d) The commissioner may reduce the rebate amounts provided under subdivision 4 or restrict program eligibility based on fund availability or other factors.

Subd. 7. **Expiration.** This section expires June 30, 2025.

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

Sec. 7. **[216C.402] GRANT PROGRAM; MANUFACTURERS' CERTIFICATION OF AUTO DEALERS TO SELL ELECTRIC VEHICLES.**

Subdivision 1. **Establishment.** A grant program is established in the Department of Commerce to award grants to dealers to offset the costs of obtaining the necessary training and equipment that is required by electric vehicle manufacturers in order to certify a dealer to sell electric vehicles produced by the manufacturer.

Subd. 2. **Application.** An application for a grant under this section must be made to the commissioner on a form developed by the commissioner. The commissioner must develop administrative procedures and processes to review applications and award grants under this section.

Subd. 3. **Eligible applicants.** An applicant for a grant awarded under this section must be a dealer of new motor vehicles licensed under chapter 168 operating under a franchise from a manufacturer of electric vehicles.

Subd. 4. **Eligible expenditures.** Appropriations made to support the activities of this section must be used only to reimburse:

(1) a dealer for the reasonable costs to obtain training and certification for the dealer's employees from the electric vehicle manufacturer that awarded the franchise to the dealer;

(2) a dealer for the reasonable costs to purchase and install equipment to service and repair electric vehicles, as required by the electric vehicle manufacturer that awarded the franchise to the dealer; and

(3) the department for the reasonable costs to administer this section.

Subd. 5. **Limitation.** A grant awarded under this section to a single dealer must not exceed $40,000.

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

Sec. 8. **ELECTRIC VEHICLE CHARGING STATIONS; INSTALLATIONS IN STATE AND REGIONAL PARKS.**

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

(b) "DC Fast charger" means electric vehicle charging station equipment that transfers direct current electricity directly to an electric vehicle's battery.

(c) "Electric vehicle" has the meaning given in Minnesota Statutes, section 169.011, subdivision 26a.

(d) "Electric vehicle charging station" means infrastructure that connects an electric vehicle to a Level 2 or DC Fast charger to recharge the electric vehicle's batteries.

(e) "Level 2 charger" means electric vehicle charging station equipment that transfers 208- to 240-volt alternating current electricity to a device in an electric vehicle that converts alternating current to direct current to recharge an electric vehicle battery.

Subd. 2. **Program.** The commissioner of natural resources, in consultation with the commissioners of the Pollution Control Agency, administration, and commerce, must develop and fund the installation of a network of electric vehicle charging stations in Minnesota state parks located within the retail electric service area of a public utility subject to Minnesota Statutes, section 116C.779, subdivision 1. The commissioners must issue a request for proposals to entities that have experience installing, owning, operating, and maintaining electric vehicle charging stations. The request for proposal must establish technical specifications that electric vehicle charging stations are required to meet and must request responders to address:

(1) the optimal number and location of charging stations installed in a given state park;

(2) alternative arrangements that may be made to allocate responsibility for electric vehicle charging station (i) ownership, operation, and maintenance, and (ii) billing procedures; and

(3) any other issues deemed relevant by the commissioners.

Subd. 3. **Deployment; regional parks.** The commissioner of natural resources may allocate a portion of the appropriation under this section to install electric vehicle charging stations in regional parks located within the retail electric service area of a public utility that is subject to Minnesota Statutes, section 116C.779, subdivision 1.

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

Sec. 9. **ELECTRIC VEHICLE CHARGING STATIONS; INSTALLATIONS AT COUNTY GOVERNMENT CENTERS.**

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

(b) "DC Fast charger" means electric vehicle charging station equipment that transfers direct current electricity directly to an electric vehicle's battery.

(c) "Electric vehicle" has the meaning given in Minnesota Statutes, section 169.011, subdivision 26a.

(d) "Electric vehicle charging station" means infrastructure that connects an electric vehicle to a Level 2 or DC Fast charger to recharge the electric vehicle's batteries.

(e) "Level 2 charger" means electric vehicle charging station equipment that transfers 208- to 240-volt alternating current electricity to a device in an electric vehicle that converts alternating current to direct current to recharge an electric vehicle battery.

Subd. 2. **Program.** The commissioner of commerce must develop and fund the installation of a network of electric vehicle charging stations in public parking facilities at county government centers located in Minnesota. The commissioner must issue a request for proposals to entities that have experience installing, owning, operating, and maintaining electric vehicle charging stations. The request for proposal must establish technical specifications that electric vehicle charging stations are required to meet and must request responders to address:

(1) the optimal number and location of charging stations installed at each county government center;

(2) alternative arrangements that may be made to allocate responsibility for electric vehicle charging station (i) ownership, operation, and maintenance, and (ii) billing procedures;

(3) software used to allow payment for electricity consumed at the charging stations; and

(4) any other issues deemed relevant by the commissioner.

Subd. 3. **County role.** (a) A county has a right of first refusal with respect to ownership of electric vehicle charging stations receiving funding under this section and installed at the county government center.

(b) A county may enter into agreements to (1) wholly or partially own, operate, or maintain an electric vehicle charging system receiving funding under this section and installed at the county government center, or (2) receive reports on the electric vehicle charging system operations.

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

Sec. 10. **METROPOLITAN COUNCIL; ELECTRIC BUS PURCHASES.**

Beginning on the effective date of this act, any bus purchased by the Metropolitan Council for Metro Transit bus service must operate solely on electricity provided by rechargeable on-board batteries. The appropriation in section 11, subdivision 8, must be used to pay the incremental cost of buses that operate solely on electricity provided by rechargeable on-board batteries over the cost of diesel-operated buses that are otherwise comparable in size, features, and performance.

EFFECTIVE DATE. This section is effective the day following final enactment and expires the day after the appropriation under section 11, subdivision 8, has been spent or is canceled.

Sec. 11. **APPROPRIATIONS.**

Subdivision 1. **Electric vehicle rebates; Xcel service area.** Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), $9,000,000 in fiscal year 2022 and $8,000,000 in fiscal year 2023 are appropriated from the renewable development account under Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of commerce to award rebates to purchase or lease eligible electric vehicles under Minnesota Statutes, section 216C.401. Rebates must be awarded under this paragraph only to eligible purchasers located within the retail electric service area of the public utility that is subject to Minnesota Statutes, section 116C.779. These are onetime appropriations.

Subd. 2. **Electric vehicle rebates; non-Xcel service area.** $2,500,000 in fiscal year 2022 is appropriated from the general fund to the commissioner of commerce to award rebates to purchase or lease eligible electric vehicles under Minnesota Statutes, section 216C.401. Rebates must be awarded under this paragraph only to eligible purchasers located outside the retail electric service area of the public utility that is subject to Minnesota Statutes, section 116C.779. The commissioner of commerce may use up to three percent of the appropriation made in this subdivision to pay for reasonable costs incurred to administer the rebate program. This is a onetime appropriation.

Subd. 3. **Auto dealer grants; Xcel service area.** Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), $2,000,000 in fiscal year 2022 is appropriated from the renewable development account under Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of commerce to award grants under Minnesota Statutes, section 216C.402, to automobile dealers seeking certification from an electric vehicle manufacturer to sell electric vehicles. Rebates must be awarded under this paragraph only to eligible dealers located within the retail electric service area of the public utility that is subject to Minnesota Statutes, section 116C.779. The commissioner of commerce may use up to three percent of the appropriation made in this subdivision to pay for reasonable costs incurred to administer the rebate program. This is a onetime appropriation.

Subd. 4. **Auto dealer grants; non-Xcel service area.** $500,000 in fiscal year 2022 is appropriated from the general fund to the commissioner of commerce to award grants under Minnesota Statutes, section 216C.402, to automobile dealers seeking certification to sell electric vehicles. Rebates must be awarded under this paragraph only to eligible dealers located outside the retail electric service area of the public utility that is subject to Minnesota Statutes, section 116C.779. This is a onetime appropriation.

Subd. 5. **Transportation electrification plan.** $28,000 in fiscal year 2022 and $28,000 in fiscal year 2023 are appropriated from the general fund to the Public Utilities Commission for activities associated with the implementation of transportation electrification plans under Minnesota Statutes, section 216B.1615.

Subd. 6. **Electric school buses.** (a) Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), $2,000,000 in fiscal year 2022 is appropriated from the renewable development account established under Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of commerce to purchase electric school buses under Minnesota Statutes, section 216B.1616. This is a onetime appropriation.

(b) $30,000 in fiscal year 2022 and $30,000 in fiscal year 2023 are appropriated from the general fund to the commissioner of commerce for activities associated with the electric school bus deployment program under Minnesota Statutes, section 216B.161. These are onetime appropriations.

(c) $28,000 in fiscal year 2022 and $28,000 in fiscal year 2023 are appropriated from the general fund to the Public Utilities Commission for activities associated with the electric school bus deployment program under Minnesota Statutes, section 216B.161. These are onetime appropriations.

Subd. 7. **Charging stations; parks.** Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), $2,000,000 in fiscal year 2022 and $59,000 in fiscal year 2023 are appropriated from the renewable development account established in Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of commerce for transfer to the commissioner of natural resources to install electric vehicle charging stations in state and regional parks located in a county some portion of which is within the retail electric service area of the public utility subject to Minnesota Statutes, section 116C.779, subdivision 1, as described in section 8.

Subd. 8. **Charging stations; counties.** Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), $2,000,000 in fiscal year 2022 is appropriated from the renewable development account established in Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of commerce to install electric vehicle charging stations in parking facilities at county government centers located in a county some portion of which is within the retail electric service area of the public utility subject to Minnesota Statutes, section 116C.779, subdivision 1, as described in section 9. The commissioner of commerce may use up to three percent of the appropriation made in this subdivision to pay for reasonable costs incurred to administer the charging station installation program. This is a onetime appropriation.

Subd. 9. **Electric buses; Metropolitan Council.** Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), $5,000,000 in fiscal year 2022 is appropriated from the renewable development account under Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of commerce for transfer to the Metropolitan Council to defray the cost of purchasing electric buses, as described in section 10. This appropriation does not cancel and is available until there is insufficient money remaining to completely defray the cost of purchasing one additional electric bus, as described in section 10. Any remaining money cancels back to the renewable development account under Minnesota Statutes, section 116C.779, subdivision 1. This is a onetime appropriation.

ARTICLE 11
SOLAR ENERGY

Section 1. Minnesota Statutes 2020, section 216B.164, is amended by adding a subdivision to read:

Subd. 12. **Customer's access to electricity usage data.** A utility shall provide a customer's electricity usage data to the customer within ten days of receipt of a request from the customer that is accompanied by evidence that the energy usage data is relevant to the interconnection of a qualifying facility on behalf of the customer. For the purposes of this subdivision, "electricity usage data" includes but is not limited to the total amount of electricity used by a customer monthly, usage by time period if the customer operates under a tariff where costs vary by time-of-use, and usage data that is used to calculate a customer's demand charge.

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

Sec. 2. Minnesota Statutes 2020, section 216B.1641, is amended to read:

216B.1641 COMMUNITY SOLAR GARDEN.

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

(b) "Subscribed energy" means electricity generated by the community solar garden that is attributable to a subscriber's subscription.

(c) "Subscriber" means a retail customer who owns one or more subscriptions of a community solar garden interconnected with the retail customer's utility.

(d) "Subscription" means a contract between a subscriber and the owner of a solar garden.

Subd. 2. **Solar garden; project requirements.** (a) The public utility subject to section 116C.779 shall file by September 30, 2013, a plan with the commission to operate a community solar garden program which shall begin operations within 90 days after commission approval of the plan. Other public utilities may file an application at their election. The community solar garden program must be designed to offset the energy use of not less than five subscribers in each community solar garden facility of which no single subscriber has more than a 40 percent interest. The owner of the community solar garden may be a public utility or any other entity or organization that contracts to sell the output from the community solar garden to the utility under section 216B.164. There shall be no limitation on the number or cumulative generating capacity of community solar garden facilities other than the limitations imposed under section 216B.164, subdivision 4c, or other limitations provided in law or regulations.

(b) A solar garden is a facility that generates electricity by means of a ground-mounted or roof-mounted solar photovoltaic device whereby subscribers receive a bill credit for the electricity generated in proportion to the size of their subscription. The solar garden must have a nameplate capacity of no more than ~~one megawatt~~ three megawatts. Each subscription shall be sized to represent at least 200 watts of the community solar garden's generating capacity and to supply, when combined with other distributed generation resources serving the premises, no more than 120 percent of the average annual consumption of electricity by each subscriber at the premises to which the subscription is attributed.

(c) The solar generation facility must be located in the service territory of the public utility filing the plan. Subscribers must be retail customers of the public utility and, unless the facility has a minimum setback of 100 feet from the nearest residential property, must be located in the same county or a county contiguous to where the facility is located.

(d) The public utility must purchase from the community solar garden all energy generated by the solar garden. Unless specified elsewhere in this section, the purchase shall be at the most recent three-year average of the rate calculated under section 216B.164, subdivision 10, or, until that rate for the public utility has been approved by the commission, the applicable retail rate. A solar garden is eligible for any incentive programs offered under section 116C.7792. A subscriber's portion of the purchase shall be provided by a credit on the subscriber's bill.

Subd. 3. **Solar garden plan; requirements; nonutility status.** ~~(c)~~ (a) The commission may approve, disapprove, or modify a community solar garden ~~program~~ plan. Any plan approved by the commission must:

(1) reasonably allow for the creation, financing, and accessibility of community solar gardens;

(2) establish uniform standards, fees, and processes for the interconnection of community solar garden facilities that allow the utility to recover reasonable interconnection costs for each community solar garden;

(3) not apply different requirements to utility and nonutility community solar garden facilities;

(4) be consistent with the public interest;

(5) identify the information that must be provided to potential subscribers to ensure fair disclosure of future costs and benefits of subscriptions;

(6) include a program implementation schedule;

(7) identify all proposed rules, fees, and charges; ~~and~~

(8) identify the means by which the program will be promoted~~.~~;

(9) require that residential subscribers have a right to cancel a community solar garden subscription within three business days, as provided under section 325G.07;

(10) require that the following information is provided by the solar garden owner in writing to any prospective subscriber asked to make a prepayment to the solar garden owner prior to the delivery of subscribed energy by the solar garden:

(i) an estimate of the annual generation of subscribed energy, based on the methodology approved by the commission; and

(ii) an estimate of the length of time required to fully recover a subscriber's prepayments made to the owner of the solar garden prior to the delivery of subscribed energy, calculated using the formula developed by the commission under paragraph (d); and

(11) require new residential subscription agreements that require a prepayment to allow the subscriber to transfer the subscription to other new or current subscribers, or to cancel the subscription, on commercially reasonable terms; and

(12) require an owner of a solar garden to submit a report that meets the requirements of section 216C.51, subdivisions 3 and 4, each year the solar garden is in operation.

~~(f)~~ (b) Notwithstanding any other law, neither the manager of nor the subscribers to a community solar garden facility shall be considered a utility solely as a result of their participation in the community solar garden facility.

~~(g)~~ (c) Within 180 days of commission approval of a plan under this section, a utility shall begin crediting subscriber accounts for each community solar garden facility in its service territory, and shall file with the commissioner of commerce a description of its crediting system.

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

~~(1) "subscriber" means a retail customer of a utility who owns one or more subscriptions of a community solar garden facility interconnected with that utility; and~~

~~(2) "subscription" means a contract between a subscriber and the owner of a solar garden.~~

Subd. 4. **Community access project; eligibility.** (a) An owner of a community solar garden may apply to the utility to be designated as a community access project at any time:

(1) before the owner makes an initial payment under an interconnection agreement entered into with a public utility; or

(2) if the owner made an initial payment under an interconnection agreement between January 1, 2021, and the effective date of this act, before commercial operation begins.

(b) The utility must designate a solar garden as a community access project if the owner of a solar garden commits in writing to meet the following conditions:

(1) at least 50 percent of the solar garden's generating capacity is subscribed by residential customers;

(2) the contract between the owner of the solar garden and the public utility that purchases the garden's electricity, and any agreement between the utility or owner of the solar garden and subscribers, states that the owner of the solar garden does not discriminate against or screen subscribers based on income or credit score and that any customer of a utility with a community solar garden plan approved by the commission under subdivision 3 is eligible to become a subscriber;

(3) the solar garden is operated by an entity that maintains a physical address in Minnesota and has designated a contact person in Minnesota who responds to subscriber inquiries; and

(4) the agreement between the owner of the solar garden and subscribers states that the owner must adequately publicize and convene at least one meeting annually to provide an opportunity for subscribers to pose questions to the manager or owner.

Subd. 5. **Community access project; financial arrangements.** (a) If a solar garden is approved by the utility as a community access project:

(1) the public utility purchasing the electricity generated by the community access project may charge the owner of the community access project no more than one cent per watt alternating current based on the solar garden's generating capacity for any refundable deposit the utility requires of a solar garden during the application process;

(2) notwithstanding subdivision 2, paragraph (d), the public utility must purchase all energy generated by the community access project at the retail rate; and

(3) all renewable energy credits generated by the community access project belong to subscribers unless the owner of the solar garden:

(i) contracts to:

(A) sell the credits to a third party; or

(B) sell or transfer the credits to the utility; and

(ii) discloses a sale or transfer to subscribers at the time the subscribers enter into a subscription.

(b) If at any time after commercial operation begins a solar garden approved by the utility as a community access project fails to meet the conditions under subdivision 4, the solar garden is no longer subject to the provisions of this subdivision and subdivision 6, and must operate under the program rules established by the commission for a solar garden that does not qualify as a community access project.

(c) An owner of a solar garden whose designation as a community access project is revoked under this subdivision may reapply to the commission at any time to have the designation as a community access project reinstated under subdivision 4.

Subd. 6. **Community access project; reporting.** The owner of a community access project must include the following information in an annual report to the community access project subscribers and the utility:

(1) a description of the process by which subscribers can provide input to solar garden policy and decision making;

(2) the amount of revenues received by the solar garden in the previous year that were allocated to categories that include but are not limited to operating costs, debt service, profits distributed to subscribers, and profits distributed to others; and

(3) an estimate of the proportion of low- and moderate-income subscribers, and a description of one or more of the following methods used to make the estimate:

(i) evidence provided by a subscriber that the subscriber or a member of the subscriber's household receives assistance from any of the following sources:

(A) the federal Low-Income Home Energy Assistance Program;

(B) federal Section 8 housing assistance;

(C) medical assistance;

(D) the federal Supplemental Nutrition Assistance Program; or

(E) the federal National School Lunch Program;

(ii) characterization of the census tract where the subscriber resides as low- or moderate-income by the Federal Financial Institutions Examination Council; or

(iii) other methods approved by the commission.

Subd. 7. **Commission order.** Within 180 days of the effective date of this section, the commission must issue an order addressing the requirements of this section.

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

Sec. 3. **[216C.375] SOLAR FOR SCHOOLS PROGRAM.**

Subdivision 1. **Definitions.** (a) For the purposes of this section and section 216C.376, the following terms have the meanings given.

(b) "Developer" means an entity that installs a solar energy system on a school building that has been awarded a grant under this section.

(c) "Photovoltaic device" has the meaning given in section 216C.06, subdivision 16.

(d) "School" means a school that operates as part of an independent or special school district.

(e) "School district" means an independent or special school district.

(f) "Solar energy system" means photovoltaic or solar thermal devices.

Subd. 2. **Establishment; purpose.** A solar for schools program is established in the Department of Commerce. The purpose of the program is to (1) provide grants to stimulate the installation of solar energy systems on or adjacent to school buildings by reducing the cost, and (2) enable schools to use the solar energy system as a teaching tool that can be integrated into the school's curriculum.

Subd. 3. **Establishment of account.** (a) A solar for schools program account is established in the special revenue fund. Money received from the general fund must be transferred to the commissioner of commerce and credited to the account. Money deposited in the account remains in the account until expended and does not cancel to the general fund.

(b) When a grant is awarded under this section, the commissioner must reserve the grant amount in the account.

Subd. 4. **Expenditures.** (a) Money in the account must be used only:

(1) to award grants under this section; and

(2) to pay the reasonable costs incurred by the department to administer this section.

(b) Grant awards made with money in the account must be used only for grants for solar energy systems installed on or adjacent to school buildings receiving retail electric service from a utility that is not subject to section 116C.779, subdivision 1.

Subd. 5. **Eligible system.** (a) A grant may be awarded to a school under this section only if the solar energy system that is the subject of the grant:

(1) is installed on or adjacent to the school building that consumes the electricity generated by the solar energy system, on property within the service territory of the utility currently providing electric service to the school building; and

(2) has a capacity that does not exceed the lesser of 40 kilowatts or 120 percent of the estimated annual electricity consumption of the school building at which the solar energy system is installed.

(b) A school district that receives a rebate or other financial incentive under section 216B.241 for a solar energy system and that demonstrates considerable need for financial assistance, as determined by the commissioner, is eligible for a grant under this section for the same solar energy system.

Subd. 6. **Application process.** (a) The commissioner must issue a request for proposals to utilities, schools, and developers who may wish to apply for a grant under this section on behalf of a school.

(b) A utility or developer must submit an application to the commissioner on behalf of a school on a form prescribed by the commissioner. The form must include, at a minimum, the following information:

(1) the capacity of the proposed solar energy system and the amount of electricity that is expected to be generated;

(2) the current energy demand of the school building on which the solar energy generating system is to be installed, and information regarding any distributed energy resource, including subscription to a community solar garden, that currently provides electricity to the school building;

(3) a description of any solar thermal devices proposed as part of the solar energy system;

(4) the total cost to purchase and install the solar energy system and the solar energy system's life-cycle cost, including removal and disposal at the end of the system's life;

(5) a copy of the proposed contract agreement between the school and the utility or developer that includes provisions addressing responsibility for maintenance of the solar energy system;

(6) the school's plan to make the solar energy system serve as a visible learning tool for students, teachers, and visitors to the school, including how the solar energy system may be integrated into the school's curriculum and provisions for real-time monitoring of the solar energy system performance for display in a prominent location in the school or on-demand in the classroom;

(7) information that demonstrates the school district's level of need for financial assistance available under this section;

(8) information that demonstrates the school's readiness to implement the project, including but not limited to the availability of the site on which the solar energy system is to be installed and the level of the school's engagement with the utility providing electric service to the school building on which the solar energy system is to be installed on issues relevant to the implementation of the project, including metering and other issues;

(9) with respect to the installation and operation of the solar energy system, the willingness and ability of the developer or the utility to:

(i) pay employees and contractors a prevailing wage rate, as defined in section 177.42, subdivision 6; and

(ii) adhere to the provisions of section 177.43;

(10) how the developer or utility plans to reduce the school's initial capital expense to purchase and install the solar energy system, and to provide financial benefits to the school from the utilization of federal and state tax credits, utility incentives, and other financial incentives; and

(11) any other information deemed relevant by the commissioner.

(c) The commissioner must administer an open application process under this section at least twice annually.

(d) The commissioner must develop administrative procedures governing the application and grant award process.

Subd. 7. **Energy conservation review.** At the commissioner's request, a school awarded a grant under this section shall provide the commissioner information regarding energy conservation measures implemented at the school building at which the solar energy system is installed. The commissioner may make recommendations to the school regarding cost-effective conservation measures it can implement and may provide technical assistance and direct the school to available financial assistance programs.

Subd. 8. **Technical assistance.** The commissioner must provide technical assistance to schools to develop and execute projects under this section.

Subd. 9. **Grant payments.** The commissioner must award a grant from the account established under subdivision 3 to a school for the necessary costs associated with the purchase and installation of a solar energy system. The amount of the grant must be based on the commissioner's assessment of the school's need for financial assistance.

Subd. 10. **Limitations.** (a) No more than 50 percent of the grant payments awarded to schools under this section may be awarded to schools where the proportion of students eligible for free and reduced-price lunch under the National School Lunch Program is less than 50 percent.

(b) No more than ten percent of the total amount of grants awarded under this section may be awarded to schools that are part of the same school district.

Subd. 11. **Application deadline.** No application may be submitted under this section after December 31, 2025.

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

Sec. 4. **[216C.376] SOLAR FOR SCHOOLS PROGRAM FOR CERTAIN UTILITY SERVICE TERRITORY.**

Subdivision 1. **Establishment; purpose.** The utility subject to section 116C.779 must operate a program to develop and to supplement with additional funding financial arrangements that enable schools to install and operate solar energy systems that can be used as teaching tools and integrated into the school curriculum.

Subd. 2. **Required plan.** (a) By October 1, 2021, the public utility must file a plan for the solar for schools program with the commissioner. The plan must contain, at a minimum, the following elements:

(1) a description of how the public utility proposes to utilize funds appropriated to the program to assist schools to install solar energy systems;

(2) an estimate of the amount of financial assistance that the public utility proposes to provide to a school, on a per kilowatt-hour produced basis, and the length of time the public utility estimates financial assistance is provided to a school;

(3) administrative procedures governing the application and financial benefit award process, and the costs the public utility is projected to incur to administer the program;

(4) the public utility's proposed process for periodic reevaluation and modification of the program; and

(5) any additional information required by the commissioner.

(b) The public utility may not implement the program until the commissioner approves the public utility's plan submitted under this subdivision. The commissioner may modify a plan, and no later than December 31, 2021, the commissioner must approve a plan and the financial incentives the plan provides the public utility if the commissioner determines both are in the public interest. Any proposed modifications to the plan approved under this subdivision must be approved by the commissioner.

Subd. 3. **System eligibility.** A solar energy system is eligible to receive financial benefits under this section if the solar energy system meets all of the following conditions:

(1) the solar energy system must be located on or adjacent to a school building receiving retail electric service from the public utility and completely located within the public utility's electric service territory, provided that any land situated between the school building and the site where the solar energy system is installed is owned by the school district in which the school building operates; and

(2) the total aggregate nameplate capacity of all distributed generation serving the school building, including any subscriptions to a community solar garden under section 216B.1641, does not exceed the lesser of one megawatt alternating current or 120 percent of the average annual electric energy consumption of the school building.

Subd. 4. **Application process.** (a) A school seeking financial assistance under this section must submit an application to the public utility, including a plan for how the school uses the solar energy system as a visible learning tool for students, teachers, and visitors to the school, and how the solar energy system may be integrated into the school's curriculum.

(b) The public utility must award financial assistance under this section on a first-come, first-served basis.

(c) The public utility must discontinue accepting applications under this section after all funds appropriated to the program are allocated to program participants, including funds from canceled projects.

Subd. 5. **Benefits information.** Before signing an agreement with the public utility to receive financial assistance under this section, a school must obtain from the developer and provide to the public utility information the developer shared with potential investors in the project regarding future financial benefits to be realized from installation of a solar energy system at the school and potential financial risks.

Subd. 6. **Cost recovery; renewable energy credits.** (a) Payments by the public utility to a school receiving financial assistance under this section are fully recoverable by the public utility through the public utility's fuel clause adjustment.

(b) The renewable energy credits associated with the electricity generated by a solar energy system receiving financial assistance under this section are the property of the public utility that is subject to this section.

Subd. 7. **Limitation.** (a) No more than 50 percent of the financial assistance provided by the public utility to schools under this section may be provided to schools where the proportion of students eligible for free and reduced-price lunch under the National School Lunch Program is less than 50 percent.

(b) No more than ten percent of the total amount of financial assistance provided by the public utility to schools under this section may be provided to schools that are part of the same school district.

Subd. 8. **Technical assistance.** The commissioner must provide technical assistance to schools to develop and execute projects under this section.

Subd. 9. **Application deadline.** No application may be submitted under this section after December 31, 2025.

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

Sec. 5. Minnesota Statutes 2020, section 216E.01, subdivision 9a, is amended to read:

Subd. 9a. **Solar energy generating system.** "Solar energy generating system" means a set of devices whose primary purpose is to produce electricity by means of any combination of collecting, transferring, or converting solar-generated energy, and may include transmission lines designed for and capable of operating at 100 kilovolts or less that interconnect a solar energy generating system with a high voltage transmission line.

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

Sec. 6. **[500.216] LIMITS ON CERTAIN RESIDENTIAL SOLAR ENERGY SYSTEMS PROHIBITED.**

Subdivision 1. **General rule.** A private entity must not prohibit or refuse to permit installation, maintenance, or use of a roof-mounted solar energy system by the owner of a single-family dwelling, notwithstanding any covenant, restriction, or condition contained in a deed, security instrument, homeowners association document, or any other instrument affecting the transfer, sale of, or an interest in real property, except as provided in this section.

Subd. 2. **Applicability.** This section applies to single-family detached dwellings whose owner is the sole owner of the entire building in which the dwelling is located and who is solely responsible for the maintenance, repair, replacement, and insurance of the entire building.

Subd. 3. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Private entity" means a homeowners association, community association, or other association that is subject to a homeowners association document.

(c) "Homeowners association document" means a document containing the declaration, articles of incorporation, bylaws, or rules and regulations of:

(1) a common interest community, as defined in section 515B.1-103, regardless of whether the common interest community is subject to chapter 515B; and

(2) a residential community that is not a common interest community.

(d) "Solar energy system" has the meaning given in section 216C.06, subdivision 17.

Subd. 4. **Allowable conditions.** (a) This section does not prohibit a private entity from requiring that:

(1) a licensed contractor install a solar energy system;

(2) a roof-mounted solar energy system not extend above the peak of a pitched roof or beyond the edge of the roof;

(3) the owner or installer of a solar energy system indemnify or reimburse the private entity or the private entity's members for loss or damage caused by the installation, maintenance, use, repair, or removal of a solar energy system;

(4) the owner and each successive owner of a solar energy system list the private entity as a certificate holder on the homeowner's insurance policy; or

(5) the owner and each successive owner of a solar energy system be responsible for removing the system if reasonably necessary for the repair, maintenance, or replacement of common elements or limited common elements, as defined in section 515B.1-103.

(b) A private entity may impose other reasonable restrictions on the installation, maintenance, or use of solar energy systems, provided that those restrictions do not decrease the projected generation of energy by a solar energy system by more than 20 percent or increase the solar energy system's cost by more than (1) 20 percent for a solar water heater, or (2) $2,000 for a solar photovoltaic system, compared with the generation of energy and the cost of labor and materials certified by the designer or installer of the solar energy system as originally proposed without the restrictions. A private entity may obtain an alternative bid and design from a solar energy system designer or installer for the purposes of this paragraph.

(c) A solar energy system must meet applicable standards and requirements imposed by the state and by governmental units, as defined in section 462.384.

(d) A solar energy system for heating water must be certified by the Solar Rating Certification Corporation (SRCC) or an equivalent certification agency. A solar energy system for producing electricity must meet all applicable safety and performance standards established by the National Electrical Code, the Institute of Electrical and Electronics Engineers and accredited testing laboratories including but not limited to Underwriters Laboratories and, where applicable, rules of the Public Utilities Commission regarding safety and reliability.

(e) If approval by a private entity is required to install or use a solar energy system, the application for approval must be processed and approved in the same manner as an application for approval of an architectural modification to the property, and must not be willfully avoided or delayed.

(f) An application for approval must be made in writing and must contain certification that the applicant meets any conditions required by a private entity under this subdivision. An application must include a copy of the interconnection application submitted to the applicable electric utility.

(g) A private entity shall approve or deny an application in writing. If an application is not denied in writing within 60 days from the date of receipt of the application, the application is deemed approved unless the delay is the result of a reasonable request for additional information. If a private entity receives an incomplete application that it determines prevents it from reaching a decision to approve or disapprove the application, a new 60-day limit begins only if the private entity sends written notice to the applicant, within 15 business days of receiving the incomplete application, informing the applicant what additional information is required.

Sec. 7. Minnesota Statutes 2020, section 515.07, is amended to read:

515.07 COMPLIANCE WITH COVENANTS, BYLAWS, AND RULES.

Each apartment owner shall comply strictly with the bylaws and with the administrative rules adopted pursuant thereto, as either of the same may be lawfully amended from time to time, and with the covenants, conditions, and restrictions set forth in the declaration or in the owner's deed to the apartment. Failure to comply with any of the same shall be ground for an action to recover sums due, for damages or injunctive relief or both maintainable by the manager or board of directors on behalf of the association of apartment owners or, in a proper case, by an aggrieved apartment owner. This chapter is subject to ~~section~~ sections 500.215 and 500.216.

Sec. 8. Minnesota Statutes 2020, section 515B.2-103, is amended to read:

515B.2-103 CONSTRUCTION AND VALIDITY OF DECLARATION AND BYLAWS.

(a) All provisions of the declaration and bylaws are severable.

(b) The rule against perpetuities may not be applied to defeat any provision of the declaration or this chapter, or any instrument executed pursuant to the declaration or this chapter.

(c) In the event of a conflict between the provisions of the declaration and the bylaws, the declaration prevails except to the extent that the declaration is inconsistent with this chapter.

(d) The declaration and bylaws must comply with ~~section~~ sections 500.215 and 500.216.

Sec. 9. Minnesota Statutes 2020, section 515B.3-102, is amended to read:

515B.3-102 POWERS OF UNIT OWNERS' ASSOCIATION.

(a) Except as provided in subsections (b), (c), (d), and (e), and subject to the provisions of the declaration or bylaws, the association shall have the power to:

(1) adopt, amend and revoke rules and regulations not inconsistent with the articles of incorporation, bylaws and declaration, as follows: (i) regulating the use of the common elements; (ii) regulating the use of the units, and conduct of unit occupants, which may jeopardize the health, safety or welfare of other occupants, which involves noise or other disturbing activity, or which may damage the common elements or other units; (iii) regulating or prohibiting animals; (iv) regulating changes in the appearance of the common elements and conduct which may damage the common interest community; (v) regulating the exterior appearance of the common interest community, including, for example, balconies and patios, window treatments, and signs and other displays, regardless of whether inside a unit; (vi) implementing the articles of incorporation, declaration and bylaws, and exercising the powers granted by this section; and (vii) otherwise facilitating the operation of the common interest community;

(2) adopt and amend budgets for revenues, expenditures and reserves, and levy and collect assessments for common expenses from unit owners;

(3) hire and discharge managing agents and other employees, agents, and independent contractors;

(4) institute, defend, or intervene in litigation or administrative proceedings (i) in its own name on behalf of itself or two or more unit owners on matters affecting the common elements or other matters affecting the common interest community or, (ii) with the consent of the owners of the affected units on matters affecting only those units;

(5) make contracts and incur liabilities;

(6) regulate the use, maintenance, repair, replacement, and modification of the common elements and the units;

(7) cause improvements to be made as a part of the common elements, and, in the case of a cooperative, the units;

(8) acquire, hold, encumber, and convey in its own name any right, title, or interest to real estate or personal property, but (i) common elements in a condominium or planned community may be conveyed or subjected to a security interest only pursuant to section 515B.3-112, or (ii) part of a cooperative may be conveyed, or all or part of a cooperative may be subjected to a security interest, only pursuant to section 515B.3-112;

(9) grant or amend easements for public utilities, public rights-of-way or other public purposes, and cable television or other communications, through, over or under the common elements; grant or amend easements, leases, or licenses to unit owners for purposes authorized by the declaration; and, subject to approval by a vote of unit owners other than declarant or its affiliates, grant or amend other easements, leases, and licenses through, over or under the common elements;

(10) impose and receive any payments, fees, or charges for the use, rental, or operation of the common elements, other than limited common elements, and for services provided to unit owners;

(11) impose interest and late charges for late payment of assessments and, after notice and an opportunity to be heard before the board or a committee appointed by it, levy reasonable fines for violations of the declaration, bylaws, and rules and regulations of the association;

(12) impose reasonable charges for the review, preparation and recordation of amendments to the declaration, resale certificates required by section 515B.4-107, statements of unpaid assessments, or furnishing copies of association records;

(13) provide for the indemnification of its officers and directors, and maintain directors' and officers' liability insurance;

(14) provide for reasonable procedures governing the conduct of meetings and election of directors;

(15) exercise any other powers conferred by law, or by the declaration, articles of incorporation or bylaws; and

(16) exercise any other powers necessary and proper for the governance and operation of the association.

(b) Notwithstanding subsection (a) the declaration or bylaws may not impose limitations on the power of the association to deal with the declarant which are more restrictive than the limitations imposed on the power of the association to deal with other persons.

(c) Notwithstanding subsection (a), powers exercised under this section must comply with ~~section~~ sections 500.215 and 500.216.

(d) Notwithstanding subsection (a)(4) or any other provision of this chapter, the association, before instituting litigation or arbitration involving construction defect claims against a development party, shall:

(1) mail or deliver written notice of the anticipated commencement of the action to each unit owner at the addresses, if any, established for notices to owners in the declaration and, if the declaration does not state how notices are to be given to owners, to the owner's last known address. The notice shall specify the nature of the construction defect claims to be alleged, the relief sought, and the manner in which the association proposes to fund the cost of pursuing the construction defect claims; and

(2) obtain the approval of owners of units to which a majority of the total votes in the association are allocated. Votes allocated to units owned by the declarant, an affiliate of the declarant, or a mortgagee who obtained ownership of the unit through a foreclosure sale are excluded. The association may obtain the required approval by a vote at an annual or special meeting of the members or, if authorized by the statute under which the association is created and taken in compliance with that statute, by a vote of the members taken by electronic means or mailed ballots. If the association holds a meeting and voting by electronic means or mailed ballots is authorized by that statute, the association shall also provide for voting by those methods. Section 515B.3-110(c) applies to votes taken by electronic means or mailed ballots, except that the votes must be used in combination with the vote taken at a meeting and are not in lieu of holding a meeting, if a meeting is held, and are considered for purposes of determining whether a quorum was present. Proxies may not be used for a vote taken under this paragraph unless the unit owner executes the proxy after receipt of the notice required under subsection (d)(1) and the proxy expressly references this notice.

(e) The association may intervene in a litigation or arbitration involving a construction defect claim or assert a construction defect claim as a counterclaim, crossclaim, or third-party claim before complying with subsections (d)(1) and (d)(2) but the association's complaint in an intervention, counterclaim, crossclaim, or third-party claim shall be dismissed without prejudice unless the association has complied with the requirements of subsection (d) within 90 days of the association's commencement of the complaint in an intervention or the assertion of the counterclaim, crossclaim, or third-party claim.

Sec. 10. **PHOTOVOLTAIC DEMAND CREDIT RIDER.**

By October 1, 2021, an investor-owned utility that has not already done so must submit to the Public Utilities Commission a photovoltaic demand credit rider that reimburses all demand metered customers with solar photovoltaic systems greater than 40 kilowatts alternating current for the demand charge overbilling that occurs. The utility may submit to the commission multiple options to calculate reimbursement for demand charge overbilling. At least one submission must use a capacity value stack methodology. The commission is prohibited from approving a photovoltaic demand credit rider unless the rider allows stand-alone photovoltaic systems and photovoltaic systems coupled with storage. The commission must approve the photovoltaic demand credit rider by June 30, 2022.

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

Sec. 11. **SITING SOLAR ENERGY GENERATING SYSTEMS ON PRIME FARMLAND.**

(a) The Public Utilities Commission must amend Minnesota Rules, section 7850.4400, subpart 4, to allow the siting of a solar energy generating system on prime farmland that meets any of the following conditions:

(1) the site has been identified as a sensitive groundwater area by the Department of Natural Resources under Minnesota Statutes, section 103H.101;

(2) the owner of the solar energy generating system has entered into an agreement with the Board of Soil and Water Resources committing the owner to comply with the provisions of Minnesota Statutes, section 216B.1642, by establishing on the site perennial vegetation and foraging habitat beneficial to game birds, songbirds, and pollinators, and to report to the board every three years on progress made toward establishing beneficial habitat; or

(3) the solar energy generating system is colocated with and does not disrupt the operation of agricultural uses, including but not limited to grazing and harvesting forage.

(b) The commission shall comply with Minnesota Statutes, section 14.389, in adopting rules under this section.

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

Sec. 12. **DEPARTMENT OF ADMINISTRATION; MASTER SOLAR CONTRACT PROGRAM.**

The Department of Administration shall not extend the term of its current on-site solar photovoltaic master contract, but shall instead, no later than February 1, 2022, announce an open request for proposals for a new statewide on-site solar photovoltaic master contract to allow additional applicants to submit proposals to enable their participation in the state's solar master contract program.

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

Sec. 13. **APPROPRIATIONS.**

Subdivision 1. **Solar on schools; non-Xcel service territory.** $1,737,000 in fiscal year 2022 is appropriated from the general fund to the commissioner of commerce to provide financial assistance to schools to purchase and install solar energy generating systems under Minnesota Statutes, section 216C.375. This appropriation remains available until expended and does not cancel to the general fund. This appropriation must be expended on schools located outside the electric service territory of the public utility that is subject to Minnesota Statutes, section 116C.779. The base in fiscal year 2024 is $388,000.

Subd. 2. **Solar on schools; Xcel service territory.** Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), $5,000,000 in fiscal year 2022 and $5,000,000 in fiscal year 2023 are appropriated from the renewable development account established in Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of commerce to provide financial assistance to schools to purchase and install solar energy generating systems under Minnesota Statutes, section 216C.376. This appropriation remains available until expended and does not cancel to the renewable development account. This appropriation must be expended on schools located within the electric service territory of the public utility that is subject to Minnesota Statutes, section 116C.779. These are onetime appropriations.

Subd. 3. **Solar devices; state parks.** Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), $2,000,000 in fiscal year 2022 is appropriated from the renewable development account established in Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of commerce for transfer to the commissioner of natural resources to install solar photovoltaic devices in state parks located within the retail electric service area of a public utility subject to Minnesota Statutes, section 116C.779, subdivision 1. This appropriation is available until June 30, 2023. This is a onetime appropriation.

Subd. 4. **Solar devices; state buildings.** (a) Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), $4,000,000 in fiscal year 2022 is appropriated from the renewable development account established in Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of commerce for transfer to the commissioner of administration to install solar photovoltaic devices on state-owned buildings that are located within the retail electric service area of the public utility subject to Minnesota Statutes, section 116C.779, subdivision 1.

(b) Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), $59,000 in fiscal year 2022 and $38,000 in fiscal year 2023 are appropriated from the renewable development account to the commissioner of administration for costs to administer the installation of solar photovoltaic devices on state-owned buildings that are located within the retail electric service area of the public utility subject to Minnesota Statutes, section 116C.779, subdivision 1.

Subd. 5. **Solar on prime farmland.** (a) Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), $14,000 in fiscal year 2022 and $14,000 in fiscal year 2023 are appropriated from the renewable development account established under Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of commerce for transfer to the Board of Water and Soil Resources for activities associated with installing solar energy generating systems on prime farmland, as described in section 6.

(b) $46,000 in fiscal year 2022 is appropriated from the general fund to the Public Utilities Commission for activities associated with installing solar energy systems on prime farmland, as described in section 6. This is a onetime appropriation.

Subd. 6. **Mountain Iron solar plant expansion.** Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), $5,500,000 in fiscal year 2021 is appropriated from the renewable development account established in Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of employment and economic development for a grant to the Mountain Iron Economic Development Authority to expand a city-owned solar module manufacturing plant building in the city's Renewable Energy Industrial Park. This is a onetime appropriation. Any unexpended funds remaining as of June 30, 2022, must be returned to the renewable development account under Minnesota Statutes, section 116C.779, subdivision 1.

Subd. 7. **Northfield distribution system upgrades.** Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), $550,000 in fiscal year 2022 is appropriated from the renewable development account established in Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of commerce for transfer to the public utility that is subject to Minnesota Statutes, section 116C.779, subdivision 1, to upgrade the utility's distribution system in and bordering on the city of Northfield to enable the interconnection of additional customer-sited solar deployment. No later than October 15, 2021, the public utility that is to receive the transferred funds must submit a report to the commissioner of commerce, the Public Utilities Commission, and to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over energy policy and finance describing how the utility proposes to utilize the transfer made under this subdivision, including the specific locations identified for additional equipment installation, the nature of the equipment, and the amount of incremental capacity that results from the installation of the equipment. The commissioner must not transfer the funds appropriated under this subdivision to the public utility until the commissioner and the Public Utilities Commission have reviewed and approved the report.

ARTICLE 12
ENERGY MISCELLANEOUS

Section 1. Minnesota Statutes 2020, section 115B.40, subdivision 1, is amended to read:

Subdivision 1. **Response to releases.** The commissioner may take any environmental response action, including emergency action, related to a release or threatened release of a hazardous substance, pollutant or contaminant, or decomposition gas from a qualified facility that the commissioner deems reasonable and necessary to protect the public health or welfare or the environment under the standards required in sections 115B.01 to 115B.20. The commissioner may undertake studies necessary to determine reasonable and necessary environmental response actions at individual facilities. The commissioner may develop general work plans for environmental studies, presumptive remedies, and generic remedial designs for facilities with similar characteristics, as well as implement reuse and redevelopment strategies. Prior to selecting environmental response actions for a facility, the

commissioner shall hold at least one public informational meeting near the facility and provide for receiving and responding to comments related to the selection. The commissioner shall design, implement, and provide oversight consistent with the actions selected under this subdivision.

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

Sec. 2. Minnesota Statutes 2020, section 116C.779, subdivision 1, is amended to read:

Subdivision 1. **Renewable development account.** (a) The renewable development account is established as a separate account in the special revenue fund in the state treasury. Appropriations and transfers to the account shall be credited to the account. Earnings, such as interest, dividends, and any other earnings arising from assets of the account, shall be credited to the account. Funds remaining in the account at the end of a fiscal year are not canceled to the general fund but remain in the account until expended. The account shall be administered by the commissioner of management and budget as provided under this section.

(b) On July 1, 2017, the public utility that owns the Prairie Island nuclear generating plant must transfer all funds in the renewable development account previously established under this subdivision and managed by the public utility to the renewable development account established in paragraph (a). Funds awarded to grantees in previous grant cycles that have not yet been expended and unencumbered funds required to be paid in calendar year 2017 under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, are not subject to transfer under this paragraph.

(c) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing each January 15 thereafter, the public utility that owns the Prairie Island nuclear generating plant must transfer to the renewable development account $500,000 each year for each dry cask containing spent fuel that is located at the Prairie Island power plant for each year the plant is in operation, and $7,500,000 each year the plant is not in operation if ordered by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility at Prairie Island for any part of a year.

(d) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing each January 15 thereafter, the public utility that owns the Monticello nuclear generating plant must transfer to the renewable development account $350,000 each year for each dry cask containing spent fuel that is located at the Monticello nuclear power plant for each year the plant is in operation, and $5,250,000 each year the plant is not in operation if ordered by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility at Monticello for any part of a year.

(e) Each year, the public utility shall withhold from the funds transferred to the renewable development account under paragraphs (c) and (d) the amount necessary to pay its obligations under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, for that calendar year.

(f) If the commission approves a new or amended power purchase agreement, the termination of a power purchase agreement, or the purchase and closure of a facility under section 216B.2424, subdivision 9, with an entity that uses poultry litter to generate electricity, the public utility subject to this section shall enter into a contract with the city in which the poultry litter plant is located to provide grants to the city for the purposes of economic development on the following schedule: $4,000,000 in fiscal year 2018; $6,500,000 each fiscal year in 2019 and 2020; and $3,000,000 in fiscal year 2021. The grants shall be paid by the public utility from funds withheld from the transfer to the renewable development account, as provided in paragraphs (b) and (e).

(g) If the commission approves a new or amended power purchase agreement, or the termination of a power purchase agreement under section 216B.2424, subdivision 9, with an entity owned or controlled, directly or indirectly, by two municipal utilities located north of Constitutional Route No. 8, that was previously used to meet the biomass mandate in section 216B.2424, the public utility that owns a nuclear generating plant shall enter into a

grant contract with such entity to provide $6,800,000 per year for five years, commencing 30 days after the commission approves the new or amended power purchase agreement, or the termination of the power purchase agreement, and on each June 1 thereafter through 2021, to assist the transition required by the new, amended, or terminated power purchase agreement. The grant shall be paid by the public utility from funds withheld from the transfer to the renewable development account as provided in paragraphs (b) and (e).

(h) The collective amount paid under the grant contracts awarded under paragraphs (f) and (g) is limited to the amount deposited into the renewable development account, and its predecessor, the renewable development account, established under this section, that was not required to be deposited into the account under Laws 1994, chapter 641, article 1, section 10.

(i) After discontinuation of operation of the Prairie Island nuclear plant or the Monticello nuclear plant and each year spent nuclear fuel is stored in dry cask at the discontinued facility, the commission shall require the public utility to pay $7,500,000 for the discontinued Prairie Island facility and $5,250,000 for the discontinued Monticello facility for any year in which the commission finds, by the preponderance of the evidence, that the public utility did not make a good faith effort to remove the spent nuclear fuel stored at the facility to a permanent or interim storage site out of the state. This determination shall be made at least every two years.

(j) Funds in the account may be expended only for any of the following purposes:

(1) to stimulate research and development of renewable electric energy technologies;

(2) to encourage grid modernization, including, but not limited to, projects that implement electricity storage, load control, and smart meter technology; and

(3) to stimulate other innovative energy projects that reduce demand and increase system efficiency and flexibility.

Expenditures from the fund must benefit Minnesota ratepayers receiving electric service from the utility that owns a nuclear-powered electric generating plant in this state or the Prairie Island Indian community or its members.

The utility that owns a nuclear generating plant is eligible to apply for grants under this subdivision.

(k) For the purposes of paragraph (j), the following terms have the meanings given:

(1) "renewable" has the meaning given in section 216B.2422, subdivision 1, paragraph (c), clauses (1), (2), (4), and (5); and

(2) "grid modernization" means:

(i) enhancing the reliability of the electrical grid;

(ii) improving the security of the electrical grid against cyberthreats and physical threats; and

(iii) increasing energy conservation opportunities by facilitating communication between the utility and its customers through the use of two-way meters, control technologies, energy storage and microgrids, technologies to enable demand response, and other innovative technologies.

(l) A renewable development account advisory group that includes, among others, representatives of the public utility and its ratepayers, and includes at least one representative of the Prairie Island Indian community appointed by that community's Tribal council, shall develop recommendations on account expenditures. The advisory group

must design a request for proposal and evaluate projects submitted in response to a request for proposals. The advisory group must utilize an independent third-party expert to evaluate proposals submitted in response to a request for proposal, including all proposals made by the public utility. A request for proposal for research and development under paragraph (j), clause (1), may be limited to or include a request to higher education institutions located in Minnesota for multiple projects authorized under paragraph (j), clause (1). The request for multiple projects may include a provision that exempts the projects from the third-party expert review and instead provides for project evaluation and selection by a merit peer review grant system. In the process of determining request for proposal scope and subject and in evaluating responses to request for proposals, the advisory group must strongly consider, where reasonable~~,~~:

(1) potential benefit to Minnesota citizens and businesses and the utility's ratepayers~~.~~; and

(2) the proposer's commitment to increasing the diversity of the proposer's workforce and vendors.

(m) The advisory group shall submit funding recommendations to the public utility, which has full and sole authority to determine which expenditures shall be submitted by the advisory group to the legislature. The commission may approve proposed expenditures, may disapprove proposed expenditures that it finds not to be in compliance with this subdivision or otherwise not in the public interest, and may, if agreed to by the public utility, modify proposed expenditures. The commission shall, by order, submit its funding recommendations to the legislature as provided under paragraph (n).

(n) The commission shall present its recommended appropriations from the account to the senate and house of representatives committees with jurisdiction over energy policy and finance annually by February 15 following any year in which the commission has acted on recommendations submitted by the advisory group and the public utility. Expenditures from the account must be appropriated by law. In enacting appropriations from the account, the legislature:

(1) may approve or disapprove, but may not modify, the amount of an appropriation for a project recommended by the commission; and

(2) may not appropriate money for a project the commission has not recommended funding.

(o) A request for proposal for renewable energy generation projects must, when feasible and reasonable, give preference to projects that are most cost-effective for a particular energy source.

(p) The advisory group must annually, by February 15, report to the chairs and ranking minority members of the legislative committees with jurisdiction over energy policy on projects funded by the account for the prior year and all previous years. The report must, to the extent possible and reasonable, itemize the actual and projected financial benefit to the public utility's ratepayers of each project.

(q) By February 1, 2018, and each February 1 thereafter, the commissioner of management and budget shall submit a written report regarding the availability of funds in and obligations of the account to the chairs and ranking minority members of the senate and house committees with jurisdiction over energy policy and finance, the public utility, and the advisory group.

(r) A project receiving funds from the account must produce a written final report that includes sufficient detail for technical readers and a clearly written summary for nontechnical readers. The report must include an evaluation of the project's financial, environmental, and other benefits to the state and the public utility's ratepayers. A project receiving funds from the account must submit a report that meets the requirements of section 216C.51, subdivisions 3 and 4, each year the project funded by the account is in progress.

(s) Final reports, any mid-project status reports, and renewable development account financial reports must be posted online on a public website designated by the commissioner of commerce.

(t) All final reports must acknowledge that the project was made possible in whole or part by the Minnesota renewable development account, noting that the account is financed by the public utility's ratepayers.

(u) Of the amount in the renewable development account, priority must be given to making the payments required under section 216C.417.

Sec. 3. Minnesota Statutes 2020, section 216B.096, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) The terms used in this section have the meanings given them in this subdivision.

(b) "Cold weather period" means the period from October ~~15~~ 1 through April ~~15~~ 30 of the following year.

(c) "Customer" means a residential customer of a utility.

(d) "Disconnection" means the involuntary loss of utility heating service as a result of a physical act by a utility to discontinue service. Disconnection includes installation of a service or load limiter or any device that limits or interrupts utility service in any way.

(e) "Household income" means the combined income, as defined in section 290A.03, subdivision 3, of all residents of the customer's household, computed on an annual basis. Household income does not include any amount received for energy assistance.

(f) "Reasonably timely payment" means payment within five working days of agreed-upon due dates.

(g) "Reconnection" means the restoration of utility heating service after it has been disconnected.

(h) "Summary of rights and responsibilities" means a commission-approved notice that contains, at a minimum, the following:

(1) an explanation of the provisions of subdivision 5;

(2) an explanation of no-cost and low-cost methods to reduce the consumption of energy;

(3) a third-party notice;

(4) ways to avoid disconnection;

(5) information regarding payment agreements;

(6) an explanation of the customer's right to appeal a determination of income by the utility and the right to appeal if the utility and the customer cannot arrive at a mutually acceptable payment agreement; and

(7) a list of names and telephone numbers for county and local energy assistance and weatherization providers in each county served by the utility.

(i) "Third-party notice" means a commission-approved notice containing, at a minimum, the following information:

(1) a statement that the utility will send a copy of any future notice of proposed disconnection of utility heating service to a third party designated by the residential customer;

(2) instructions on how to request this service; and

(3) a statement that the residential customer should contact the person the customer intends to designate as the third-party contact before providing the utility with the party's name.

(j) "Utility" means a public utility as defined in section 216B.02, and a cooperative electric association electing to be a public utility under section 216B.026. Utility also means a municipally owned gas or electric utility for nonresident consumers of the municipally owned utility and a cooperative electric association when a complaint in connection with utility heating service during the cold weather period is filed under section 216B.17, subdivision 6 or 6a.

(k) "Utility heating service" means natural gas or electricity used as a primary heating source, including electricity service necessary to operate gas heating equipment, for the customer's primary residence.

(l) "Working days" means Mondays through Fridays, excluding legal holidays. The day of receipt of a personally served notice and the day of mailing of a notice shall not be counted in calculating working days.

Sec. 4. Minnesota Statutes 2020, section 216B.096, subdivision 3, is amended to read:

Subd. 3. **Utility obligations before cold weather period.** Each year, between ~~September 1~~ August 15 and October ~~15~~ 1, each utility must provide all customers, personally, by first class mail, or electronically for those requesting electronic billing, a summary of rights and responsibilities. The summary must also be provided to all new residential customers when service is initiated.

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

Sec. 5. Minnesota Statutes 2020, section 216B.097, subdivision 1, is amended to read:

Subdivision 1. **Application; notice to residential customer.** (a) A municipal utility or a cooperative electric association must not disconnect and must reconnect the utility service of a residential customer during the period between October ~~15~~ 1 and April ~~15~~ 30 if the disconnection affects the primary heat source for the residential unit and all of the following conditions are met:

(1) The household income of the customer is at or below 50 percent of the state median household income. A municipal utility or cooperative electric association utility may (i) verify income on forms it provides or (ii) obtain verification of income from the local energy assistance provider. A customer is deemed to meet the income requirements of this clause if the customer receives any form of public assistance, including energy assistance, that uses an income eligibility threshold set at or below 50 percent of the state median household income.

(2) A customer enters into and makes reasonably timely payments under a payment agreement that considers the financial resources of the household.

(3) A customer receives referrals to energy assistance, weatherization, conservation, or other programs likely to reduce the customer's energy bills.

(b) A municipal utility or a cooperative electric association must, between August 15 and October ~~15~~ 1 each year, notify all residential customers of the provisions of this section.

Sec. 6. Minnesota Statutes 2020, section 216B.097, subdivision 2, is amended to read:

Subd. 2. **Notice to residential customer facing disconnection.** Before disconnecting service to a residential customer during the period between October ~~15~~ 1 and April ~~15~~ 30, a municipal utility or cooperative electric association must provide the following information to a customer:

(1) a notice of proposed disconnection;

(2) a statement explaining the customer's rights and responsibilities;

(3) a list of local energy assistance providers;

(4) forms on which to declare inability to pay; and

(5) a statement explaining available time payment plans and other opportunities to secure continued utility service.

Sec. 7. Minnesota Statutes 2020, section 216B.097, subdivision 3, is amended to read:

Subd. 3. **Restrictions if disconnection necessary.** (a) If a residential customer must be involuntarily disconnected between October ~~15~~ 1 and April ~~15~~ 30 for failure to comply with subdivision 1, the disconnection must not occur:

(1) on a Friday, unless the customer declines to enter into a payment agreement offered that day in person or via personal contact by telephone by a municipal utility or cooperative electric association;

(2) on a weekend, holiday, or the day before a holiday;

(3) when utility offices are closed; or

(4) after the close of business on a day when disconnection is permitted, unless a field representative of a municipal utility or cooperative electric association who is authorized to enter into a payment agreement, accept payment, and continue service, offers a payment agreement to the customer.

Further, the disconnection must not occur until at least 20 days after the notice required in subdivision 2 has been mailed to the customer or 15 days after the notice has been personally delivered to the customer.

(b) If a customer does not respond to a disconnection notice, the customer must not be disconnected until the utility investigates whether the residential unit is actually occupied. If the unit is found to be occupied, the utility must immediately inform the occupant of the provisions of this section. If the unit is unoccupied, the utility must give seven days' written notice of the proposed disconnection to the local energy assistance provider before making a disconnection.

(c) If, prior to disconnection, a customer appeals a notice of involuntary disconnection, as provided by the utility's established appeal procedure, the utility must not disconnect until the appeal is resolved.

Sec. 8. Minnesota Statutes 2020, section 216B.164, subdivision 4, is amended to read:

Subd. 4. **Purchases; wheeling; costs.** (a) Except as otherwise provided in paragraph (c), this subdivision shall apply to all qualifying facilities having 40-kilowatt capacity or more as well as qualifying facilities as defined in subdivision 3 and net metered facilities under subdivision 3a, if interconnected to a cooperative electric association or municipal utility, or 1,000-kilowatt capacity or more if interconnected to a public utility, which elect to be governed by its provisions.

(b) The utility to which the qualifying facility is interconnected shall purchase all energy and capacity made available by the qualifying facility. The qualifying facility shall be paid the utility's full avoided capacity and energy costs as negotiated by the parties, as set by the commission, or as determined through competitive bidding approved by the commission. ~~The full avoided capacity and energy costs to be paid a qualifying facility that generates electric power by means of a renewable energy source are the utility's least cost renewable energy facility or the bid of a competing supplier of a least cost renewable energy facility, whichever is lower, unless the commission's resource plan order, under section 216B.2422, subdivision 2, provides that the use of a renewable resource to meet the identified capacity need is not in the public interest.~~

(c) For all qualifying facilities having 30-kilowatt capacity or more, the utility shall, at the qualifying facility's or the utility's request, provide wheeling or exchange agreements wherever practicable to sell the qualifying facility's output to any other Minnesota utility having generation expansion anticipated or planned for the ensuing ten years. The commission shall establish the methods and procedures to insure that except for reasonable wheeling charges and line losses, the qualifying facility receives the full avoided energy and capacity costs of the utility ultimately receiving the output.

(d) The commission shall set rates for electricity generated by renewable energy.

Sec. 9. Minnesota Statutes 2020, section 216B.2424, is amended by adding a subdivision to read:

Subd. 5b. **Definitions.** (a) For the purposes of subdivision 5c, the following terms have the meanings given.

(b) "Agreement period" means the period beginning January 1, 2023, and ending December 31, 2024.

(c) "Ash" means all species of the genus *Fraxinus*.

(d) "Cogeneration facility" means the St. Paul district heating and cooling system cogeneration facility that uses waste wood as the facility's primary fuel source, provides thermal energy to St. Paul, and sells electricity to a public utility through a power purchase agreement approved by the Public Utilities Commission.

(e) "Department" means the Department of Agriculture.

(f) "Emerald ash borer" means the insect known as emerald ash borer, *Agrilus planipennis* Fairmaire, in any stage of development.

(g) "Renewable energy technology" has the meaning given to "eligible energy technology" in section 216B.1691, subdivision 1.

(h) "St. Paul district heating and cooling system" means a system of boilers, distribution pipes, and other equipment that provides energy for heating and cooling in St. Paul, and includes the cogeneration facility.

(i) "Waste wood from ash trees" means ash logs and lumber, ash tree waste, and ash chips and mulch.

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

Sec. 10. Minnesota Statutes 2020, section 216B.2424, is amended by adding a subdivision to read:

Subd. 5c. **New power purchase agreement.** (a) No later than August 1, 2021, a public utility subject to subdivision 5 and the cogeneration facility may file a proposal with the commission to enter into a power purchase agreement that governs the public utility's purchase of electricity generated by the cogeneration facility. The power purchase agreement may extend no later than December 31, 2024, and must not be extended beyond that date except as provided in paragraph (f).

(b) The commission is prohibited from approving a new power purchase agreement filed under this subdivision that does not meet all of the following conditions:

(1) the cogeneration facility agrees that any waste wood from ash trees removed from Minnesota counties that have been designated as quarantined areas in Section IV of the Minnesota State Formal Quarantine for Emerald Ash Borer, issued by the commissioner of agriculture under section 18G.06, effective November 14, 2019, as amended, for utilization as biomass fuel by the cogeneration facility must be accompanied by evidence:

(i) demonstrating that the transport of biomass fuel from processed waste wood from ash trees to the cogeneration facility complies with the department's regulatory requirements under the Minnesota State Formal Quarantine for Emerald Ash Borer, which may consist of:

(A) a certificate authorized or prepared by the commissioner of agriculture or an employee of the Animal and Plant Health Inspection Service of the United States Department of Agriculture verifying compliance; or

(B) shipping documents demonstrating compliance; or

(ii) certifying that the waste wood from ash trees has been chipped to one inch or less in two dimensions, and was chipped within the county from which the ash trees were originally removed;

(2) the price per megawatt hour of electricity paid by the public utility demonstrates significant savings compared to the existing power purchase agreement, with a price that does not exceed $98 per megawatt hour;

(3) the proposal includes a proposal to the commission for one or more electrification projects that result in the St. Paul district heating and cooling system being powered by electricity generated from renewable energy technologies. The plan must evaluate electrification at three or more levels from ten to 100 percent, including 100 percent of the energy used by the St. Paul district heating and cooling system to be implemented by December 31, 2027. The proposal may also evaluate alternative dates for implementation. For each level of electrification analyzed, the proposal must contain:

(i) a description of the alternative electrification technologies evaluated and whose implementation is proposed as part of the electrification project;

(ii) an estimate of the cost of the electrification project to the public utility, the impact on the monthly energy bills of the public utility's Minnesota customers, and the impact on the monthly energy bills of St. Paul district heating and cooling system customers;

(iii) an estimate of the reduction in greenhouse gas emissions resulting from the electrification project, including greenhouse gas emissions associated with the transportation of waste wood;

(iv) estimated impacts on the operations of the St. Paul district heating and cooling system; and

(v) a timeline for the electrification project; and

(4) the power purchase agreement provides a net benefit to the utility customers or the state.

(c) The commission may approve, or approve as modified, a proposed electrification project that meets the requirements of this subdivision if it finds the electrification project is in the public interest, or the commission may reject the project if it finds that the project is not in the public interest. When determining whether an electrification project is in the public interest, the commission may consider the effects of the electrification project on air emissions from the St. Paul district heating and cooling system and how the emissions impact the environment and residents of affected neighborhoods.

(d) During the agreement period, the cogeneration facility must attempt to obtain funding to reduce the cost of generating electricity and enable the facility to continue to operate beyond the agreement period to address the removal of ash trees, as described in paragraph (b), clause (1), without any subsidy or contribution from any power purchase agreement after December 31, 2024. The cogeneration facility must submit periodic reports to the commission regarding the efforts made under this paragraph.

(e) Upon approval of the new power purchase agreement, the commission must require periodic reporting regarding progress toward development of a proposal for an electrification project.

(f) The commission is prohibited from approving either an extension of an existing power purchase agreement or a new power purchase agreement that operates after the agreement period unless it approves an electrification project. Nothing in this section requires any utility to enter into a power purchase agreement with the cogeneration facility after December 31, 2024.

(g) Upon approval of an electrification project, the commission must require periodic reporting regarding the progress toward implementation of the electrification project.

(h) If the commission approves the proposal submitted under paragraph (b), clause (3), the commission may allow the public utility to recover prudently incurred costs net of revenues resulting from the electrification project through an automatic cost recovery mechanism that allows for cost recovery outside of a general rate case. The cost recovery mechanism approved by the commission must:

(1) allow a reasonable return on the capital invested in the electrification project by the public utility, as determined by the commission; and

(2) recover costs only from the public utility's Minnesota electric service customers.

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

Sec. 11. Minnesota Statutes 2020, section 216B.243, subdivision 8, is amended to read:

Subd. 8. **Exemptions.** (a) This section does not apply to:

(1) cogeneration or small power production facilities as defined in the Federal Power Act, United States Code, title 16, section 796, paragraph (17), subparagraph (A), and paragraph (18), subparagraph (A), and having a combined capacity at a single site of less than 80,000 kilowatts; plants or facilities for the production of ethanol or fuel alcohol; or any case where the commission has determined after being advised by the attorney general that its application has been preempted by federal law;

(2) a high-voltage transmission line proposed primarily to distribute electricity to serve the demand of a single customer at a single location, unless the applicant opts to request that the commission determine need under this section or section 216B.2425;

(3) the upgrade to a higher voltage of an existing transmission line that serves the demand of a single customer that primarily uses existing rights-of-way, unless the applicant opts to request that the commission determine need under this section or section 216B.2425;

(4) a high-voltage transmission line of one mile or less required to connect a new or upgraded substation to an existing, new, or upgraded high-voltage transmission line;

(5) conversion of the fuel source of an existing electric generating plant to using natural gas;

(6) the modification of an existing electric generating plant to increase efficiency, as long as the capacity of the plant is not increased more than ten percent or more than 100 megawatts, whichever is greater;

(7) a large wind energy conversion system, as defined in section 216F.01, subdivision 2, or a solar ~~electric~~ energy generation ~~facility~~ system, as defined in section 216E.01, subdivision 9a, if the system ~~or facility~~ is owned and operated by an independent power producer and the electric output of the system ~~or facility~~:

(i) is not sold to an entity that provides retail service in Minnesota or wholesale electric service to another entity in Minnesota other than an entity that is a federally recognized regional transmission organization or independent system operator; or

(ii) is sold to an entity that provides retail service in Minnesota or wholesale electric service to another entity in Minnesota other than an entity that is a federally recognized regional transmission organization or independent system operator, provided that the system represents solar or wind capacity that the entity purchasing the system's electric output was ordered by the commission to develop in the entity's most recent integrated resource plan approved under section 216B.2422; or

(8) a large wind energy conversion system, as defined in section 216F.01, subdivision 2, or a solar energy generating large energy facility, as defined in section 216B.2421, subdivision 2, engaging in a repowering project that:

(i) will not result in the facility exceeding the nameplate capacity under its most recent interconnection agreement; or

(ii) will result in the facility exceeding the nameplate capacity under its most recent interconnection agreement, provided that the Midcontinent Independent System Operator has provided a signed generator interconnection agreement that reflects the expected net power increase.

(b) For the purpose of this subdivision, "repowering project" means:

(1) modifying a large wind energy conversion system or a solar energy generating large energy facility to increase its efficiency without increasing its nameplate capacity;

(2) replacing turbines in a large wind energy conversion system without increasing the nameplate capacity of the system; or

(3) increasing the nameplate capacity of a large wind energy conversion system.

Sec. 12. Minnesota Statutes 2020, section 216B.62, subdivision 3b, is amended to read:

Subd. 3b. **Assessment for department regional and national duties.** In addition to other assessments in subdivision 3, the department may assess up to $500,000 per fiscal year for performing its duties under section 216A.07, subdivision 3a. The amount in this subdivision shall be assessed to energy utilities in proportion to their respective gross operating revenues from retail sales of gas or electric service within the state during the last calendar year and shall be deposited into an account in the special revenue fund and is appropriated to the commissioner of commerce for the purposes of section 216A.07, subdivision 3a. An assessment made under this subdivision is not subject to the cap on assessments provided in subdivision 3 or any other law. For the purpose of this subdivision, an "energy utility" means public utilities, generation and transmission cooperative electric associations, and municipal power agencies providing natural gas or electric service in the state. ~~This subdivision expires June 30, 2021.~~

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

Sec. 13. **[216B.631] COMPENSATION FOR PARTICIPANTS IN PROCEEDINGS.**

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

(b) "Participant" means a person who meets the requirements of subdivision 2 and who:

(1) files comments or appears in a commission proceeding, other than public hearings, concerning one or more public utilities; or

(2) is permitted by the commission to intervene in a commission proceeding concerning one or more public utilities; and

(3) files a request for compensation under this section.

(c) "Proceeding" means an undertaking of the commission in which it seeks to resolve an issue affecting one or more public utilities and which results in a commission order.

(d) "Public utility" has the meaning given in section 216B.02, subdivision 4.

Subd. 2. **Participants; eligibility.** Any of the following participants is eligible to receive compensation under this section:

(1) a nonprofit organization that is:

(i) exempt from taxation under section 501(c)(3) of the United States Internal Revenue Code;

(ii) incorporated in Minnesota; and

(iii) governed under chapter 317A;

(2) a Tribal government of a federally recognized Indian Tribe that is located in Minnesota; or

(3) a Minnesota resident, except that an individual who owns a for-profit business that has earned revenue from a Minnesota utility in the past two years is not eligible for compensation.

Subd. 3. **Compensation; conditions.** (a) The commission may order a public utility to compensate all or part of an eligible participant's reasonable costs of participation in a proceeding that comes before the commission when the commission finds that the participant has materially assisted the commission's deliberation.

(b) In determining whether a participant has materially assisted the commission's deliberation, the commission must find that:

(1) the participant made a unique contribution to the record and represented an interest that would not otherwise have been adequately represented;

(2) the evidence or arguments presented or the positions taken by the participant were an important factor in producing a fair decision;

(3) the participant's position promoted a public purpose or policy;

(4) the evidence presented, arguments made, issues raised, or positions taken by the participant would not otherwise have been a part of the record;

(5) the participant was active in any stakeholder process made part of the proceeding; and

(6) the proceeding resulted in a commission order that adopted, in whole or in part, a position advocated by the participant.

(c) In reviewing a compensation request, the commission must consider whether the costs presented in the participant's claim are reasonable.

Subd. 4. **Compensation; amount.** (a) Compensation must not exceed $50,000 for a single participant in any proceeding, except that:

(1) if a proceeding extends longer than 12 months, a participant may request compensation of up to $50,000 for costs incurred in each calendar year; and

(2) in a general rate case proceeding under section 216B.16 or an integrated resource plan proceeding under section 216B.2422, the maximum single participant compensation must not exceed $75,000.

(b) A single participant must not be granted more than $200,000 under this section in a single calendar year.

(c) Compensation requests from joint participants must be presented as a single request.

(d) Notwithstanding paragraphs (a) and (b), the commission must not, in any calendar year, require a single public utility to pay aggregate compensation under this section that exceeds the following amounts:

(1) $100,000, for a public utility with up to $300,000,000 annual gross operating revenue in Minnesota;

(2) $275,000, for a public utility with more than $300,000,000 but less than $900,000,000 annual gross operating revenue in Minnesota;

(3) $375,000, for a public utility with more than $900,000,000 but less than $2,000,000,000 annual gross operating revenue in Minnesota; and

(4) $1,250,000, for a public utility with more than $2,000,000,000 annual gross operating revenue in Minnesota.

(e) When requests for compensation from any public utility approach the limits established in paragraph (d), the commission may prioritize requests from participants that received less than $150,000 in total compensation during the previous two years.

Subd. 5. **Compensation; process.** (a) A participant seeking compensation must file a request and an affidavit of service with the commission, and serve a copy of the request on each party to the proceeding. The request must be filed no more than 30 days after the later of: (1) the expiration of the period within which a petition for rehearing, amendment, vacation, reconsideration, or reargument must be filed; or (2) the date the commission issues an order following rehearing, amendment, vacation, reconsideration, or reargument.

(b) A compensation request must include:

(1) the name and address of the participant or nonprofit organization the participant is representing;

(2) evidence of the organization's nonprofit, tax-exempt status;

(3) the name and docket number of the proceeding for which compensation is requested;

(4) a list of actual annual revenue secured and expenses incurred for participation in commission proceedings separately for the preceding and current year, and projected revenue, revenue sources, and expenses for participation in commission proceedings for the current year;

(5) amounts of compensation awarded to the participant under this section during the current year and any pending requests for compensation, by docket;

(6) an itemization of the participant's costs, including hours worked and associated hourly rates for each individual contributing to the participation, not including overhead costs, participant revenues for the proceeding, and the total compensation request; and

(7) a narrative describing the unique contribution made to the proceeding by the participant.

(c) A participant shall comply with reasonable requests for information by the commission and other participants. A participant shall reply to information requests within ten calendar days of the date the request is received, unless this would place an extreme hardship upon the replying participant. The replying participant must provide a copy of the information to any other participant or interested person upon request. Disputes regarding information requests may be resolved by the commission.

(d) Within 30 days after service of the request for compensation, a party may file a response, together with an affidavit of service, with the commission. A copy of the response must be served on the requesting participant and all other parties to the proceeding.

(e) Within 15 days after the response is filed, the participant may file a reply with the commission. A copy of the reply and an affidavit of service must be served on all other parties to the proceeding.

(f) If additional costs are incurred by a participant as a result of additional proceedings following the commission's initial order, the participant may file an amended request within 30 days after the commission issues an amended order. Paragraphs (b) to (e) apply to an amended request.

(g) The commission must issue a decision on participant compensation within 60 days of the date a request for compensation is filed by a participant.

(h) The commission may extend the deadlines in paragraphs (d), (e), and (g) for up to 60 days upon the request of a participant or on the commission's own initiative, if applicable.

(i) A participant may request reconsideration of the commission's compensation decision within 30 days of the decision date.

Subd. 6. **Compensation; orders.** (a) If the commission issues an order requiring payment of participant compensation, the public utility that was the subject of the proceeding must pay the compensation to the participant and file proof of payment with the commission within 30 days after the later of: (1) the expiration of the period within which a petition for reconsideration of the commission's compensation decision must be filed; or (2) the date the commission issues an order following reconsideration of the commission's order on participant compensation.

(b) If the commission issues an order requiring payment of participant compensation in a proceeding involving multiple public utilities, the commission shall apportion costs among the public utilities in proportion to each public utility's annual revenue.

(c) The commission may issue orders necessary to allow a public utility to recover the costs of participant compensation on a timely basis.

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

Sec. 14. **[216C.51] UTILITY DIVERSITY REPORTING.**

Subdivision 1. **Policy.** It is the policy of this state to encourage each utility that serves Minnesota residents to focus on and improve the diversity of the utility's workforce and suppliers.

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

(b) "Certification" means official recognition by a governmental unit that a business is a preferred vendor as a result of the characteristics of the business owner or owners or the location of the business.

(c) "Utility" has the meaning given in section 216C.06, subdivision 18.

Subd. 3. **Annual report.** (a) Beginning March 15, 2022, and each March 15 thereafter, each utility authorized to do business in Minnesota must file an annual diversity report to the commissioner on:

(1) the utility's goals and efforts to increase diversity in the workplace, including current workforce representation numbers and percentages; and

(2) all procurement goals and actual spending for female-owned, minority-owned, veteran-owned, and small business enterprises during the previous calendar year.

(b) The goals under paragraph (a), clause (2), must be expressed as a percentage of the total work performed by the utility submitting the report. The actual spending for female-owned, minority-owned, veteran-owned, and small business enterprises must also be expressed as a percentage of the total work performed by the utility submitting the report.

Subd. 4. **Report elements.** Each utility required to report under this section must include the following in the annual report:

(1) an explanation of the plan to increase diversity in the utility's workforce and suppliers during the next year;

(2) an explanation of the plan to increase the goals;

(3) an explanation of the challenges faced to increase workforce and supplier diversity, including suggestions regarding actions the department could take to help identify potential employees and vendors;

(4) a list of the certifications the company recognizes;

(5) a point of contact for a potential employee or vendor that wishes to work for or do business with the utility; and

(6) a list of successful actions taken to increase workforce and supplier diversity, in order to encourage other companies to emulate best practices.

Subd. 5. **State data.** Each annual report must include as much state-specific data as possible. If the submitting utility does not submit state-specific data, the utility must include any relevant national data the utility possesses, explain why the utility could not submit state-specific data, and explain how the utility intends to include state-specific data in future reports, if possible.

Subd. 6. **Publication; retention.** The department must publish an annual report on the department's website and must maintain each annual report for at least five years.

Sec. 15. Minnesota Statutes 2020, section 216E.03, subdivision 7, is amended to read:

Subd. 7. **Considerations in designating sites and routes.** (a) The commission's site and route permit determinations must be guided by the state's goals to conserve resources, minimize environmental impacts, minimize human settlement and other land use conflicts, and ensure the state's electric energy security through efficient, cost-effective power supply and electric transmission infrastructure.

(b) To facilitate the study, research, evaluation, and designation of sites and routes, the commission shall be guided by, but not limited to, the following considerations:

(1) evaluation of research and investigations relating to the effects on land, water and air resources of large electric power generating plants and high-voltage transmission lines and the effects of water and air discharges and electric and magnetic fields resulting from such facilities on public health and welfare, vegetation, animals, materials and aesthetic values, including baseline studies, predictive modeling, and evaluation of new or improved methods for minimizing adverse impacts of water and air discharges and other matters pertaining to the effects of power plants on the water and air environment;

(2) environmental evaluation of sites and routes proposed for future development and expansion and their relationship to the land, water, air and human resources of the state;

(3) evaluation of the effects of new electric power generation and transmission technologies and systems related to power plants designed to minimize adverse environmental effects;

(4) evaluation of the potential for beneficial uses of waste energy from proposed large electric power generating plants;

(5) analysis of the direct and indirect economic impact of proposed sites and routes including, but not limited to, productive agricultural land lost or impaired;

(6) evaluation of adverse direct and indirect environmental effects that cannot be avoided should the proposed site and route be accepted;

(7) evaluation of alternatives to the applicant's proposed site or route proposed pursuant to subdivisions 1 and 2;

(8) evaluation of potential routes that would use or parallel existing railroad and highway rights-of-way;

(9) evaluation of governmental survey lines and other natural division lines of agricultural land so as to minimize interference with agricultural operations;

(10) evaluation of the future needs for additional high-voltage transmission lines in the same general area as any proposed route, and the advisability of ordering the construction of structures capable of expansion in transmission capacity through multiple circuiting or design modifications;

(11) evaluation of irreversible and irretrievable commitments of resources should the proposed site or route be approved; ~~and~~

(12) when appropriate, consideration of problems raised by other state and federal agencies and local entities;

(13) evaluation of the benefits of the proposed facility with respect to the protection and enhancement of environmental quality, and to the reliability of state and regional energy supplies; and

(14) evaluation of the proposed project's impact on socioeconomic factors.

(c) If the commission's rules are substantially similar to existing regulations of a federal agency to which the utility in the state is subject, the federal regulations must be applied by the commission.

(d) No site or route shall be designated which violates state agency rules.

(e) The commission must make specific findings that it has considered locating a route for a high-voltage transmission line on an existing high-voltage transmission route and the use of parallel existing highway right-of-way and, to the extent those are not used for the route, the commission must state the reasons.

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

Sec. 16. Minnesota Statutes 2020, section 216E.04, subdivision 2, is amended to read:

Subd. 2. **Applicable projects.** The requirements and procedures in this section apply to the following projects:

(1) large electric power generating plants with a capacity of less than 80 megawatts;

(2) large electric power generating plants that are fueled by natural gas;

(3) high-voltage transmission lines of between 100 and 200 kilovolts;

(4) high-voltage transmission lines in excess of 200 kilovolts and less than ~~five~~ 30 miles in length in Minnesota;

(5) high-voltage transmission lines in excess of 200 kilovolts if at least 80 percent of the distance of the line in Minnesota will be located along existing high-voltage transmission line right-of-way;

(6) a high-voltage transmission line service extension to a single customer between 200 and 300 kilovolts and less than ten miles in length;

(7) a high-voltage transmission line rerouting to serve the demand of a single customer when the rerouted line will be located at least 80 percent on property owned or controlled by the customer or the owner of the transmission line; and

(8) large electric power generating plants that are powered by solar energy.

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

Sec. 17. Minnesota Statutes 2020, section 216F.012, is amended to read:

216F.012 SIZE ELECTION.

(a) A wind energy conversion system of less than 25 megawatts of nameplate capacity as determined under section 216F.011 is a small wind energy conversion system if, by July 1, 2009, the owner so elects in writing and submits a completed application for zoning approval and the written election to the county or counties in which the project is proposed to be located. The owner must notify the Public Utilities Commission of the election at the time the owner submits the election to the county.

(b) Notwithstanding paragraph (a), a wind energy conversion system with a nameplate capacity exceeding five megawatts that is proposed to be located wholly or partially within a wind access buffer adjacent to state lands that are part of the outdoor recreation system, as enumerated in section 86A.05, is a large wind energy conversion system. The Department of Natural Resources shall negotiate in good faith with a system owner regarding siting and may support the system owner in seeking a variance from the system setback requirements if it determines that a variance is in the public interest.

~~(c) The Public Utilities Commission shall issue an annual report to the chairs and ranking minority members of the house of representatives and senate committees with primary jurisdiction over energy policy and natural resource policy regarding any variances applied for and not granted for systems subject to paragraph (b).~~

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

Sec. 18. **[216F.084] WIND TURBINE LIGHTING SYSTEMS.**

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

(b) "Duration" means the length of time during which the lights of a wind turbine lighting system are lit.

(c) "Intensity" means the brightness of a wind turbine lighting system's lights.

(d) "Light-mitigating technology" means a sensor-based system that reduces the duration or intensity of wind turbine lighting systems by:

(1) using radio frequency or other sensors to detect aircraft approaching one or more wind turbines, or detecting visibility conditions at turbine sites; and

(2) automatically activating appropriate obstruction lights until the lights are no longer needed by the aircraft and are turned off or dimmed.

A light-mitigating technology may include an audio feature that transmits an audible warning message to provide a pilot additional information regarding a wind turbine the aircraft is approaching.

(e) "Repowering project" has the meaning given in section 216B.243, subdivision 8, paragraph (b).

(f) "Wind turbine lighting system" means a system of lights installed on an LWECS that meets the applicable Federal Aviation Administration requirements.

Subd. 2. **Application.** This section applies to an LWECS issued a site permit or site permit amendment, including a site permit amendment for an LWECS repowering project, by the commission under section 216F.04 or by a county under section 216F.08, provided that the application for a site permit or permit amendment is filed after July 1, 2021.

Subd. 3. **Required lighting system.** (a) An LWECS subject to this section must be equipped with a light-mitigating technology that meets the requirements established in Chapter 14 of the Federal Aviation Administration's Advisory Circular 70/760-1, Obstruction Marking and Lighting, as updated, unless the Federal Aviation Administration, after reviewing the LWECS site plan, rejects the use of the light-mitigating technology for the LWECS. A light-mitigating technology installed on a wind turbine in Minnesota must be purchased from a vendor approved by the Federal Aviation Administration.

(b) If the Federal Aviation Administration, after reviewing the LWECS site plan, rejects the use of a light-mitigating technology for the LWECS under paragraph (a), the LWECS must be equipped with a wind turbine lighting system that minimizes the duration or intensity of the lighting system while maintaining full compliance with the lighting standards established in Chapter 13 of the Federal Aviation Administration's Advisory Circular 70/760-1, Obstruction Marking and Lighting, as updated.

Subd. 4. **Exemptions.** (a) The Public Utilities Commission or a county that has assumed permitting authority under section 216F.08 must grant an owner of an LWECS an exemption from subdivision 3, paragraph (a), if the Federal Aviation Administration denies the owner's application to equip an LWECS with a light-mitigating technology.

(b) The Public Utilities Commission or a county that has assumed permitting authority under section 216F.08 must grant an owner of an LWECS an exemption from or an extension of time to comply with subdivision 3, paragraph (a), if after notice and public hearing the owner of the LWECS demonstrates to the satisfaction of the commission or county that:

(1) equipping an LWECS with a light-mitigating technology is technically infeasible;

(2) equipping an LWECS with a light-mitigating technology imposes a significant financial burden on the permittee; or

(3) a vendor approved by the Federal Aviation Administration cannot deliver a light-mitigating technology to the LWECS owner in a reasonable amount of time.

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

Sec. 19. **TRIBAL ADVOCACY COUNCIL ON ENERGY; DEPARTMENT OF COMMERCE SUPPORT.**

(a) The Department of Commerce must provide technical support and subject matter expertise to help facilitate efforts taken by the 11 federally recognized Indian Tribes in Minnesota to establish and operate a Tribal advocacy council on energy.

(b) When requested by a Tribal advocacy council on energy, the Department of Commerce must assist the council to:

(1) assess and evaluate common Tribal energy issues, including:

(i) identifying and prioritizing energy issues;

(ii) facilitating idea sharing among the Tribes to generate solutions to energy issues; and

(iii) assisting decision making with respect to resolving energy issues;

(2) develop new statewide energy policies or proposed legislation, including:

(i) organizing stakeholder meetings;

(ii) gathering input and other relevant information;

(iii) assisting with policy proposal development, evaluation, and decision making; and

(iv) helping facilitate actions taken to submit, and obtain approval for or have enacted, policies or legislation approved by the council;

(3) make efforts to raise awareness of and provide educational opportunities with respect to Tribal energy issues among Tribal members by:

(i) identifying information resources;

(ii) gathering feedback on issues and topics the council identifies as areas of interest; and

(iii) identifying topics for and helping to facilitate educational forums; and

(4) identify, evaluate, disseminate, and implement successful energy-related practices.

(c) Nothing in this section requires or otherwise obligates the 11 federally recognized Indian Tribes in Minnesota to establish a Tribal advocacy council on energy, nor does it require or obligate a federally recognized Indian Tribe in Minnesota to participate in or implement a decision or support an effort made by a Tribal advocacy council on energy.

(d) Any support provided by the Department of Commerce to a Tribal advocacy council on energy under this section must be provided only upon request of the council and is limited to issues and areas where the Department of Commerce's expertise and assistance is requested.

Sec. 20. **PILOT PROJECT; REPORTING REQUIREMENTS.**

Upon completion of the solar energy pilot project described in section 21, subdivision 3, paragraph (b), or by January 15, 2023, whichever is earlier, the commissioner of the Pollution Control Agency, in cooperation with the electric cooperative association operating the pilot project, must report to the chairs and ranking minority members of the legislative committees with jurisdiction over capital investment, energy, and environment on the following:

(1) project accomplishments and milestones, including any project growth, developments, or agreements that resulted from the project;

(2) challenges or barriers faced during development or after completion of the project;

(3) project financials, including expenses, utility agreements, and project viability; and

(4) replicability of the pilot project to other future closed landfill projects.

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

Sec. 21. **APPROPRIATIONS.**

Subdivision 1. **Microgrid research and application.** (a) Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), $2,400,000 in fiscal year 2022 and $1,200,000 in fiscal year 2023 are appropriated from the renewable development account established in Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of commerce for transfer to the University of St. Thomas Center for Microgrid Research for the purposes of paragraph (b). The base in fiscal year 2024 is $1,000,000, and the base in fiscal year 2025 is $400,000. The base in fiscal year 2026 is $400,000.

(b) The appropriations in this section must be used by the University of St. Thomas Center for Microgrid Research to:

(1) increase the center's capacity to provide industry partners opportunities to test near-commercial microgrid products on a real-world scale and to multiply opportunities for innovative research;

(2) procure advanced equipment and controls to enable the extension of the university's microgrid to additional buildings; and

(3) expand (i) hands-on educational opportunities to better understand the operations of microgrids to undergraduate and graduate electrical engineering students, and (ii) partnerships with community colleges.

Subd. 2. **Clean energy training; pilot project.** (a) Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), $2,500,000 in fiscal year 2022 is appropriated from the renewable development account to the commissioner of employment and economic development for a grant to Northgate Development, LLC, for a pilot project to provide training pathways into careers in clean energy for students and young adults in underserved communities. Any unexpended funds remaining at the end of the biennium cancel to the renewable development account. This is a onetime appropriation.

(b) The pilot project must develop skills among program participants, short of the level required for licensing under Minnesota Statutes, chapter 326B, that are relevant to the design, construction, operation, or maintenance of:

(1) systems producing solar or wind energy;

(2) improvements in energy efficiency, as defined in Minnesota Statutes, section 216B.241, subdivision 1;

(3) energy storage systems connected to renewable energy facilities, including battery technology;

(4) infrastructure for charging all-electric or electric hybrid vehicles; or

(5) grid technologies that manage load and provide services to the distribution grid that reduce energy consumption or shift demand to off-peak periods.

(c) Training must be designed to create pathways to a postsecondary degree, industry certification, or to a registered apprenticeship program under chapter 178 that is related to the fields in paragraph (b) and then to stable career employment at a living wage.

(d) Training must be provided at a location that is accessible by public transportation and must prioritize the inclusion of communities of color, indigenous people, and low-income individuals.

(e) Grant funds may be used for all expenses related to the training program, including curriculum, instructors, equipment, materials, and leasing and improving space for use by the program.

(f) No later than January 15, 2022, and by January 15 of 2023 and 2024, Northgate Development, LLC, shall submit an annual report to the commissioner of employment and economic development that must include, at a minimum, information on:

(1) program expenditures, including but not limited to amounts spent on curriculum, instructors, equipment, materials, and leasing and improving space for use by the program;

(2) other public or private funding sources, including in-kind donations, supporting the pilot program;

(3) the number of program participants;

(4) demographic information on program participants including but not limited to race, age, gender, and income; and

(5) the number of program participants placed in a postsecondary program, industry certification program, or registered apprenticeship program under Minnesota Statutes, chapter 178.

Subd. 3. **Landfill bond prepayment; solar pilot project.** (a) Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), $100,000 in fiscal year 2022 is appropriated from the renewable development account established under Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of commerce for transfer to the commissioner of management and budget to prepay and defease any outstanding general obligation bonds used to acquire property, finance improvements and betterments, or pay any other associated financing costs at the Anoka-Ramsey closed landfill. This amount may be deposited, invested, and applied to accomplish the purposes of this section as provided in Minnesota Statutes, section 475.67, subdivisions 5 to 10 and 13. Upon the prepayment and defeasance of all associated debt on the real property and improvements, all conditions set forth in Minnesota Statutes, section 16A.695, subdivision 3, are deemed to have been satisfied and the real property and improvements no longer constitute state bond financed property under Minnesota Statutes, section 16A.695. This is a onetime appropriation. Any funds appropriated under this section that remain unexpended after the purposes in this paragraph have been met cancel to the renewable development account.

(b) Once the purposes in paragraph (a) have been met, the commissioner of the Pollution Control Agency may take actions and execute agreements to facilitate the beneficial reuse of the Anoka-Ramsey closed landfill, and may specifically authorize the installation of a solar energy generating system, as defined in Minnesota Statutes, section 216E.01, subdivision 9a, as a pilot project at the closed landfill to be owned and operated by a cooperative electric association that has more than 130,000 customers in Minnesota. The appropriation in paragraph (a) must not be used to finance the pilot project, procure land rights, or to manage the solar energy generating system.

Subd. 4. **Participant compensation.** (a) $30,000 in fiscal year 2022 and $30,000 in fiscal year 2023 are appropriated from the general fund to the commissioner of commerce to address participant compensation issues in Public Utilities Commission proceedings, as described in Minnesota Statutes, section 216B.631.

(b) $28,000 in fiscal year 2022 and $28,000 in fiscal year 2023 are appropriated from the general fund to the Public Utilities Commission to address participant compensation issues under Minnesota Statutes, section 216B.631.

Subd. 5. **Commerce department; Energy Resources Division.** $3,493,000 in fiscal year 2022 and $3,547,000 in fiscal year 2023 are appropriated from the general fund to the commissioner of commerce for general operating activities of the Energy Resources Division.

Subd. 6. **Weatherization; vermiculite remediation.** $150,000 in fiscal year 2022 and $150,000 in fiscal year 2023 are appropriated from the general fund to the commissioner of commerce to remediate vermiculite insulation from households that are eligible for weatherization assistance under Minnesota's weatherization assistance program state plan under Minnesota Statutes, section 216C.264. Remediation must be done in conjunction with federal weatherization assistance program services.

Subd. 7. **Energy regulation and planning.** $851,000 in fiscal year 2022 and $870,000 in fiscal year 2023 are appropriated from the general fund to the commissioner of commerce for activities of the energy regulation and planning unit staff.

Subd. 8. **"Made in Minnesota" administration.** Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), $100,000 in fiscal year 2022 and $100,000 in fiscal year 2023 are appropriated from the renewable development account established in Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of commerce to administer the "Made in Minnesota" solar energy production incentive program under Minnesota Statutes, section 216C.417. Any remaining unspent funds cancel back to the renewable development account at the end of the biennium.

Subd. 9. **Grant cycle; proposal evaluation.** $500,000 in fiscal year 2022 and $500,000 in fiscal year 2023 are appropriated from the renewable development account established in Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of commerce for costs associated with any third-party expert evaluation of a proposal submitted in response to a request for proposal to the renewable development advisory group under Minnesota Statutes, section 116C.779, subdivision 1, paragraph (l). No portion of this appropriation may be expended or retained by the commissioner of commerce. Any funds appropriated under this paragraph that are unexpended at the end of a fiscal year cancel to the renewable development account.

Subd. 10. **Petroleum Tank Release Compensation Board.** $1,056,000 in fiscal year 2022 and $1,056,000 in fiscal year 2023 are appropriated from the petroleum tank fund to the Petroleum Tank Release Compensation Board for its operations.

Subd. 11. **Public Utilities Commission.** $8,073,000 in fiscal year 2022 and $8,202,000 in fiscal year 2023 are appropriated from the general fund to the Public Utilities Commission for its general operations.

Sec. 22. **REPEALER.**

(a) Minnesota Statutes 2020, section 216B.16, subdivision 10, is repealed.

(b) Laws 2017, chapter 5, section 1, is repealed.

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

Delete the title and insert:

"A bill for an act relating to commerce; establishing a biennial budget for Department of Commerce and energy activities; modifying various provisions governing and administered by the Department of Commerce; establishing a prescription drug affordability board and related regulations; modifying various provisions governing insurance; establishing a student loan borrower bill of rights; modifying and adding consumer protections; modifying provisions governing collections agencies and debt buyers; establishing and modifying energy conservation programs; establishing energy transition programs; establishing programs to combat climate change; establishing and modifying electric vehicle and solar energy programs; modifying other provisions governing renewable energy and utility regulation; modifying various fees and standards; making technical changes; establishing penalties; requiring reports; appropriating money; amending Minnesota Statutes 2020, sections 13.712, by adding a subdivision; 16B.86; 16B.87; 16C.135, subdivision 3; 16C.137, subdivision 1; 45.305, subdivision 1, by adding a subdivision; 45.306, by adding a subdivision; 45.33, subdivision 1, by adding a subdivision; 47.59, subdivision 2; 47.60, subdivision 2; 47.601, subdivisions 2, 6; 48.512, subdivisions 2, 3, 7; 53.04, subdivision 3a; 56.131, subdivision 1; 60A.092, subdivision 10a, by adding a subdivision; 60A.0921, subdivision 2; 60A.14, subdivision 1; 60A.71, subdivision 7; 61A.245, subdivision 4; 62J.23, subdivision 2; 65B.15, subdivision 1; 65B.43, subdivision 12; 65B.472, subdivision 1; 79.55, subdivision 10; 80G.06, subdivision 1; 82.57, subdivisions 1, 5; 82.62, subdivision 3; 82.81, subdivision 12; 82B.021, subdivision 18, by adding subdivisions; 82B.03, by adding a subdivision; 82B.11, subdivision 3; 82B.195, by adding a subdivision; 115B.40, subdivision 1; 115C.094; 116C.779, subdivision 1; 168.27, by adding a subdivision; 174.29, subdivision 1; 174.30, subdivisions 1, 10; 216B.096, subdivisions 2, 3; 216B.097, subdivisions 1, 2, 3; 216B.16, subdivisions 6, 13; 216B.164, subdivision 4, by adding a subdivision; 216B.1641; 216B.1645, subdivisions 1, 2; 216B.1691, subdivisions 1, 2a, 2b, 2d, 2e, 2f, 3, 4, 5, 7, 9, 10, by adding subdivisions; 216B.2401; 216B.241, subdivisions 1a, 1c, 1d, 1f, 1g, 2, 2b, 3, 5, 7, 8, by adding subdivisions; 216B.2412, subdivision 3; 216B.2422, subdivisions 1, 2, 3, 4, 5, by adding subdivisions; 216B.2424, by adding subdivisions; 216B.243, subdivision 8; 216B.62, subdivision 3b; 216C.05, subdivision 2; 216E.01, subdivision 9a; 216E.03, subdivisions 7, 10; 216E.04, subdivision 2; 216F.012; 216F.04; 216H.02, subdivision 1; 221.031, subdivision 3b; 256B.0625, subdivisions 10, 17; 308A.201, subdivision 12; 325E.21, by adding subdivisions; 325F.171, by adding a subdivision; 325F.172, by adding a subdivision; 326B.106, subdivision 1; 332.31,

subdivisions 3, 6, by adding subdivisions; 332.311; 332.32; 332.33, subdivisions 1, 2, 5, 5a, 7, 8, by adding a subdivision; 332.34; 332.345; 332.355; 332.37; 332.385; 332.40, subdivision 3; 332.42, subdivisions 1, 2; 349.11; 349.12, subdivisions 12a, 12b, 12c; 386.375, subdivision 3; 514.972, subdivisions 4, 5; 514.973, subdivisions 3, 4; 514.974; 514.977; 515.07; 515B.2-103; 515B.3-102; proposing coding for new law in Minnesota Statutes, chapters 16B; 60A; 62J; 62Q; 80G; 82B; 116J; 216B; 216C; 216F; 239; 325E; 325F; 332; 500; proposing coding for new law as Minnesota Statutes, chapter 58B; repealing Minnesota Statutes 2020, sections 45.017; 45.306, subdivision 1; 60A.98; 60A.981; 60A.982; 115C.13; 216B.16, subdivision 10; 216B.1691, subdivision 2; 216B.241, subdivisions 1, 1b, 2c, 4, 10; Laws 2017, chapter 5, section 1."

The motion prevailed and the amendment was adopted.

Stephenson moved to amend S. F. No. 972, the third engrossment, as amended, as follows:

Page 8, after line 3, insert:

"Sec. 5. **TRANSFER.**

Notwithstanding any law to the contrary, in fiscal year 2024 the Minnesota Comprehensive Health Association shall transfer the remaining balance from the premium security plan account in the special revenue fund to the commissioner of commerce. Any amount transferred to the commissioner of commerce shall be deposited in the general fund."

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Swedzinski moved to amend S. F. No. 972, the third engrossment, as amended, as follows:

Page 180, after line 13, insert:

"The standards in this subdivision apply only if the People's Republic of China has achieved an equal or greater percentage of electricity produced from carbon-free resources, as determined by the commissioner of commerce."

A roll call was requested and properly seconded.

The question was taken on the Swedzinski amendment and the roll was called. There were 62 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Akland	Bennett	Davids	Franson	Hamilton	Jurgens
Albright	Bliss	Demuth	Garofalo	Heinrich	Kiel
Anderson	Boe	Dettmer	Green	Heintzeman	Koznick
Backer	Burkel	Drazkowski	Grossell	Hertaus	Kresha
Bahr	Daniels	Erickson	Gruenhagen	Igo	Lucero
Baker	Daudt	Franke	Haley	Johnson	Lueck

McDonald	Munson	O'Driscoll	Quam	Scott	West
Mekeland	Nash	Olson, B.	Raleigh	Swedzinski	
Miller	Nelson, N.	Pfarr	Rasmusson	Theis	
Mortensen	Neu Brindley	Pierson	Robbins	Torkelson	
Mueller	Novotny	Poston	Schomacker	Urdahl	

Those who voted in the negative were:

Acomb	Edelson	Hausman	Liebling	Nelson, M.	Stephenson
Agbaje	Elkins	Her	Lillie	Noor	Sundin
Bahner	Feist	Hollins	Lippert	Olson, L.	Thompson
Becker-Finn	Fischer	Hornstein	Lislegard	O'Neill	Vang
Berg	Frazier	Howard	Long	Pelowski	Wazlawik
Bernardy	Frederick	Huot	Mariani	Pinto	Winkler
Bierman	Freiberg	Jordan	Marquart	Pryor	Wolgamott
Boldon	Gomez	Keeler	Masin	Reyer	Xiong, T.
Carlson	Greenman	Klevorn	Moller	Richardson	Youakim
Christensen	Hansen, R.	Koegel	Moran	Sandell	Spk. Hortman
Davnie	Hanson, J.	Kotyza-Witthuhn	Morrison	Sandstede	
Ecklund	Hassan	Lee	Murphy	Schultz	

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

Xiong, J., was excused between the hours of 12:30 p.m. and 1:00 p.m.

Franson moved to amend S. F. No. 972, the third engrossment, as amended, as follows:

Page 304, after line 25, insert:

"Subd. 12. **Study; human rights impact of enactment.** Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), $100,000 in fiscal year 2022 is appropriated from the renewable development account established under Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of human rights to conduct a study of the impact of the enactment of articles 7 to 12 of this act on human rights in the Democratic Republic of the Congo and the Xinjiang Uygur Autonomous Region of the People's Republic of China. The report must be submitted to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over energy policy and finance no later than February 1, 2022."

The motion prevailed and the amendment was adopted.

Franson moved to amend S. F. No. 972, the third engrossment, as amended, as follows:

Page 256, line 24, after the period, insert "A public utility may only purchase energy generated by the solar garden at the rate calculated under section 216B.164, subdivision 10, if the owner of the community solar garden has certified to the utility that no child labor or slave labor was used to extract the materials that compose the community garden's solar panels."

The motion prevailed and the amendment was adopted.

Scott moved to amend S. F. No. 972, the third engrossment, as amended, as follows:

Page 237, delete section 4

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

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

Those who voted in the affirmative were:

Akland	Daudt	Haley	Lucero	Novotny	Schomacker
Albright	Davids	Hamilton	Lueck	O'Driscoll	Scott
Anderson	Demuth	Heinrich	McDonald	Olson, B.	Swedzinski
Backer	Dettmer	Heintzeman	Mekeland	O'Neill	Theis
Bahr	Drazkowski	Hertaus	Miller	Pfarr	Torkelson
Baker	Erickson	Igo	Mortensen	Pierson	Urdahl
Bennett	Franson	Johnson	Mueller	Poston	West
Bliss	Garofalo	Jurgens	Munson	Quam	
Boe	Green	Kiel	Nash	Raleigh	
Burkel	Grossell	Koznick	Nelson, N.	Rasmusson	
Daniels	Gruenhagen	Kresha	Neu Brindley	Robbins	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Liebling	Nelson, M.	Sundin
Agbaje	Elkins	Hausman	Lillie	Noor	Thompson
Bahner	Feist	Her	Lippert	Olson, L.	Vang
Becker-Finn	Fischer	Hornstein	Lislegard	Pelowski	Wazlawik
Berg	Franke	Howard	Long	Pinto	Winkler
Bernardy	Frazier	Huot	Mariani	Pryor	Wolgamott
Bierman	Frederick	Jordan	Marquart	Reyer	Xiong, T.
Boldon	Freiberg	Keeler	Masin	Richardson	Youakim
Carlson	Gomez	Klevorn	Moller	Sandell	Spk. Hortman
Christensen	Greenman	Koegel	Moran	Sandstede	
Davnie	Hansen, R.	Kotyza-Witthuhn	Morrison	Schultz	
Ecklund	Hanson, J.	Lee	Murphy	Stephenson	

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

Gruenhagen moved to amend S. F. No. 972, the third engrossment, as amended, as follows:

Page 256, after line 26, insert:

"(e) Minnesota residents, as defined in section 290.01, subdivision 7, must collectively have ownership interests in a community solar garden of no less than 75 percent."

A roll call was requested and properly seconded.

The question was taken on the Gruenhagen amendment and the roll was called. There were 62 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Akland	Daudt	Haley	Lucero	Novotny	Schomacker
Albright	Davids	Hamilton	Lueck	O'Driscoll	Scott
Anderson	Demuth	Heinrich	McDonald	Olson, B.	Swedzinski
Backer	Dettmer	Heintzeman	Mekeland	O'Neill	Theis
Bahr	Drazkowski	Hertaus	Miller	Pfarr	Torkelson
Baker	Erickson	Igo	Mortensen	Pierson	Urdahl
Bennett	Franke	Johnson	Mueller	Poston	West
Bliss	Franson	Jurgens	Munson	Quam	
Boe	Green	Kiel	Nash	Raleigh	
Burkel	Grossell	Koznick	Nelson, N.	Rasmusson	
Daniels	Gruenhagen	Kresha	Neu Brindley	Robbins	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Lee	Murphy	Stephenson
Agbaje	Elkins	Hausman	Liebling	Nelson, M.	Sundin
Bahner	Feist	Her	Lillie	Noor	Thompson
Becker-Finn	Fischer	Hollins	Lippert	Olson, L.	Vang
Berg	Frazier	Hornstein	Lislegard	Pelowski	Wazlawik
Bernardy	Frederick	Howard	Long	Pinto	Winkler
Bierman	Freiberg	Huot	Mariani	Pryor	Wolgamott
Boldon	Garofalo	Jordan	Marquart	Reyer	Xiong, J.
Carlson	Gomez	Keeler	Masin	Richardson	Xiong, T.
Christensen	Greenman	Klevorn	Moller	Sandell	Youakim
Davnie	Hansen, R.	Koegel	Moran	Sandstede	Spk. Hortman
Ecklund	Hanson, J.	Kotyza-Witthuhn	Morrison	Schultz	

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

Gruenhagen moved to amend S. F. No. 972, the third engrossment, as amended, as follows:

Page 256, line 21, delete the new language and after the second "the" insert "lower of four cents per kilowatt hour or the"

Page 256, line 22, delete the new language and strike the old language

Page 256, strike line 23

Page 256, line 24, strike "applicable retail rate" and insert "market price"

A roll call was requested and properly seconded.

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

Those who voted in the affirmative were:

Akland	Daudt	Haley	Lucero	Novotny	Schomacker
Albright	Davids	Hamilton	Lueck	O'Driscoll	Scott
Anderson	Dettmer	Heinrich	McDonald	Olson, B.	Swedzinski
Backer	Drazkowski	Heintzeman	Mekeland	O'Neill	Theis
Bahr	Erickson	Hertaus	Miller	Pfarr	Torkelson
Baker	Franke	Igo	Mortensen	Pierson	Urdahl
Bennett	Franson	Johnson	Mueller	Poston	West
Bliss	Garofalo	Jurgens	Munson	Quam	
Boe	Green	Kiel	Nash	Raleigh	
Burkel	Grossell	Koznick	Nelson, N.	Rasmusson	
Daniels	Gruenhagen	Kresha	Neu Brindley	Robbins	

Those who voted in the negative were:

Acomb	Edelson	Hausman	Liebling	Nelson, M.	Sundin
Agbaje	Elkins	Her	Lillie	Noor	Vang
Bahner	Feist	Hollins	Lippert	Olson, L.	Wazlawik
Becker-Finn	Fischer	Hornstein	Lislegard	Pelowski	Winkler
Berg	Frazier	Howard	Long	Pinto	Wolgamott
Bernardy	Frederick	Huot	Mariani	Pryor	Xiong, J.
Bierman	Freiberg	Jordan	Marquart	Reyer	Xiong, T.
Boldon	Gomez	Keeler	Masin	Richardson	Youakim
Carlson	Greenman	Klevorn	Moller	Sandell	Spk. Hortman
Christensen	Hansen, R.	Koegel	Moran	Sandstede	
Davnie	Hanson, J.	Kotyza-Witthuhn	Morrison	Schultz	
Ecklund	Hassan	Lee	Murphy	Stephenson	

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

Speaker pro tempore Carlson called Olson, L., to the Chair.

Swedzinski moved to amend S. F. No. 972, the third engrossment, as amended, as follows:

Page 256, after line 26, insert:

"(e) The public utility must calculate and display on the monthly bills of all customers the amount of the bill attributable to the cost the public utility has incurred to provide the services required under this section to the subscribers of solar gardens."

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

Swedzinski moved to amend S. F. No. 972, the third engrossment, as amended, as follows:

Page 129, line 5, strike everything after the period

Page 129, strike lines 6 to 14

Page 129, line 15, strike everything before "A"

Page 129, line 18, strike everything after "status"

Page 129, line 19, strike everything before "No" and insert a period

Page 129, line 33, after the period, insert "A commercial gas customer granted an exemption under this paragraph is not required to submit additional documentation in order to maintain the exemption."

A roll call was requested and properly seconded.

The question was taken on the Swedzinski amendment and the roll was called. There were 61 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Akland	Daudt	Hamilton	Lueck	O'Driscoll	Scott
Albright	Davids	Heinrich	McDonald	Olson, B.	Swedzinski
Anderson	Dettmer	Heintzeman	Mekeland	O'Neill	Theis
Backer	Drazkowski	Hertaus	Miller	Pfarr	Torkelson
Bahr	Erickson	Igo	Mortensen	Pierson	Urdahl
Baker	Franke	Johnson	Mueller	Poston	West
Bennett	Franson	Jurgens	Munson	Quam	
Bliss	Garofalo	Kiel	Nash	Raleigh	
Boe	Green	Koznick	Nelson, N.	Rasmusson	
Burkel	Grossell	Kresha	Neu Brindley	Robbins	
Daniels	Gruenhagen	Lucero	Novotny	Schomacker	

Those who voted in the negative were:

Acomb	Edelson	Her	Lillie	Noor	Thompson
Agbaje	Elkins	Hollins	Lippert	Olson, L.	Vang
Bahner	Feist	Hornstein	Lislegard	Pelowski	Wazlawik
Becker-Finn	Fischer	Howard	Long	Pinto	Winkler
Berg	Frazier	Huot	Mariani	Pryor	Wolgamott
Bernardy	Frederick	Jordan	Marquart	Reyer	Xiong, J.
Bierman	Freiberg	Keeler	Masin	Richardson	Xiong, T.
Boldon	Gomez	Klevorn	Moller	Sandell	Youakim
Carlson	Greenman	Koegel	Moran	Sandstede	Spk. Hortman
Christensen	Hansen, R.	Kotyza-Witthuhn	Morrison	Schultz	
Davnie	Hanson, J.	Lee	Murphy	Stephenson	
Ecklund	Hausman	Liebling	Nelson, M.	Sundin	

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

Gruenhagen moved to amend S. F. No. 972, the third engrossment, as amended, as follows:

Page 175, delete section 10

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Gruenhagen amendment and the roll was called. There were 63 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Akland	Daudt	Gruenhagen	Kresha	Neu Brindley	Robbins
Albright	Davids	Haley	Lucero	Novotny	Schomacker
Anderson	Demuth	Hamilton	Lueck	O'Driscoll	Scott
Backer	Dettmer	Heinrich	McDonald	Olson, B.	Swedzinski
Bahr	Drazkowski	Heintzeman	Mekeland	O'Neill	Theis
Baker	Erickson	Hertaus	Miller	Pfarr	Torkelson
Bennett	Franke	Igo	Mortensen	Pierson	Urdahl
Bliss	Franson	Johnson	Mueller	Poston	West
Boe	Garofalo	Jurgens	Munson	Quam	
Burkel	Green	Kiel	Nash	Raleigh	
Daniels	Grossell	Koznick	Nelson, N.	Rasmusson	

Those who voted in the negative were:

Acomb	Edelson	Hausman	Liebling	Nelson, M.	Sundin
Agbaje	Elkins	Her	Lillie	Noor	Thompson
Bahner	Feist	Hollins	Lippert	Olson, L.	Vang
Becker-Finn	Fischer	Hornstein	Lislegard	Pelowski	Wazlawik
Berg	Frazier	Howard	Long	Pinto	Winkler
Bernardy	Frederick	Huot	Mariani	Pryor	Wolgamott
Bierman	Freiberg	Jordan	Marquart	Reyer	Xiong, J.
Boldon	Gomez	Keeler	Masin	Richardson	Xiong, T.
Carlson	Greenman	Klevorn	Moller	Sandell	Youakim
Christensen	Hansen, R.	Koegel	Moran	Sandstede	Spk. Hortman
Davnie	Hanson, J.	Kotyza-Witthuhn	Morrison	Schultz	
Ecklund	Hassan	Lee	Murphy	Stephenson	

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

Mekeland moved to amend S. F. No. 972, the third engrossment, as amended, as follows:

Page 293, after line 26, insert:

"Sec. 14. **[216B.665] WHISTLEBLOWER PROTECTION.**

The provisions of section 181.932 apply to current and former employees of a utility located in this state.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Gruenhagen moved to amend S. F. No. 972, the third engrossment, as amended, as follows:

Page 174, after line 6, insert:

"(1) landfill gas;"

Renumber the clauses in sequence

Page 174, line 12, strike "landfill gas;"

Page 184, after line 21, insert:

"(1) landfill gas;"

Page 184, line 26, after the semicolon, insert "or"

Page 184, strike line 27

Renumber the clauses in sequence

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

Gruenhagen moved to amend S. F. No. 972, the third engrossment, as amended, as follows:

Page 176, line 23, before the colon, insert "the following factors, giving priority to clauses (1) and (3)"

A roll call was requested and properly seconded.

The question was taken on the Gruenhagen amendment and the roll was called. There were 63 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Akland	Daudt	Gruenhagen	Kresha	Neu Brindley	Robbins
Albright	Davids	Haley	Lucero	Novotny	Schomacker
Anderson	Demuth	Hamilton	Lueck	O'Driscoll	Scott
Backer	Dettmer	Heinrich	McDonald	Olson, B.	Swedzinski
Bahr	Drazkowski	Heintzeman	Mekeland	O'Neill	Theis
Baker	Erickson	Hertaus	Miller	Pfarr	Torkelson
Bennett	Franke	Igo	Mortensen	Pierson	Urdahl
Bliss	Franson	Johnson	Mueller	Poston	West
Boe	Garofalo	Jurgens	Munson	Quam	
Burkel	Green	Kiel	Nash	Raleigh	
Daniels	Grossell	Koznick	Nelson, N.	Rasmusson	

Those who voted in the negative were:

Acomb	Becker-Finn	Bierman	Christensen	Edelson	Fischer
Agbaje	Berg	Boldon	Davnie	Elkins	Frazier
Bahner	Bernardy	Carlson	Ecklund	Feist	Frederick

Freiberg	Hornstein	Liebling	Moran	Reyer	Wazlawik
Gomez	Howard	Lillie	Morrison	Richardson	Winkler
Greenman	Huot	Lippert	Murphy	Sandell	Wolgamott
Hansen, R.	Jordan	Lislegard	Nelson, M.	Sandstede	Xiong, J.
Hanson, J.	Keeler	Long	Noor	Schultz	Xiong, T.
Hassan	Klevorn	Mariani	Olson, L.	Stephenson	Youakim
Hausman	Koegel	Marquart	Pelowski	Sundin	Spk. Hortman
Her	Kotyza-Witthuhn	Masin	Pinto	Thompson	
Hollins	Lee	Moller	Pryor	Vang	

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

Gruenhagen moved to amend S. F. No. 972, the third engrossment, as amended, as follows:

Page 174, line 9, strike "with a capacity of less than 100 megawatts"

A roll call was requested and properly seconded.

The question was taken on the Gruenhagen amendment and the roll was called. There were 64 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Akland	Daudt	Gruenhagen	Kresha	Nelson, N.	Rasmusson
Albright	Davids	Haley	Lislegard	Neu Brindley	Robbins
Anderson	Demuth	Hamilton	Lucero	Novotny	Schomacker
Backer	Dettmer	Heinrich	Lueck	O'Driscoll	Scott
Bahr	Drazkowski	Heintzeman	McDonald	Olson, B.	Swedzinski
Baker	Erickson	Hertaus	Mekeland	O'Neill	Theis
Bennett	Franke	Igo	Miller	Pfarr	Torkelson
Bliss	Franson	Johnson	Mortensen	Pierson	Urdahl
Boe	Garofalo	Jurgens	Mueller	Poston	West
Burkel	Green	Kiel	Munson	Quam	
Daniels	Grossell	Koznick	Nash	Raleigh	

Those who voted in the negative were:

Acomb	Edelson	Hausman	Liebling	Noor	Thompson
Agbaje	Elkins	Her	Lillie	Olson, L.	Vang
Bahner	Feist	Hollins	Lippert	Pelowski	Wazlawik
Becker-Finn	Fischer	Hornstein	Long	Pinto	Winkler
Berg	Frazier	Howard	Mariani	Pryor	Wolgamott
Bernardy	Frederick	Huot	Marquart	Reyer	Xiong, J.
Bierman	Freiberg	Jordan	Masin	Richardson	Xiong, T.
Boldon	Gomez	Keeler	Moller	Sandell	Youakim
Carlson	Greenman	Klevorn	Moran	Sandstede	Spk. Hortman
Christensen	Hansen, R.	Koegel	Morrison	Schultz	
Davnie	Hanson, J.	Kotyza-Witthuhn	Murphy	Stephenson	
Ecklund	Hassan	Lee	Nelson, M.	Sundin	

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

Mekeland moved to amend S. F. No. 972, the third engrossment, as amended, as follows:

Page 299, after line 18, insert:

"Sec. 19. **[326.441] BAN ON NATURAL GAS AND PROPANE HOOKUPS; PROHIBITION.**

A political subdivision is prohibited from adopting an ordinance, resolution, code, policy, or permit requirement that prohibits or has the effect of preventing a utility from (1) connecting or reconnecting natural gas or propane to any building, or (2) supplying natural gas or propane to any building or utility customer.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Mekeland amendment and the roll was called. There were 63 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Akland	Daudt	Gruenhagen	Kresha	Neu Brindley	Robbins
Albright	Davids	Haley	Lucero	Novotny	Schomacker
Anderson	Demuth	Hamilton	Lueck	O'Driscoll	Scott
Backer	Dettmer	Heinrich	McDonald	Olson, B.	Swedzinski
Bahr	Drazkowski	Heintzeman	Mekeland	O'Neill	Theis
Baker	Erickson	Hertaus	Miller	Pfarr	Torkelson
Bennett	Franke	Igo	Mortensen	Pierson	Urdahl
Bliss	Franson	Johnson	Mueller	Poston	West
Boe	Garofalo	Jurgens	Munson	Quam	
Burkel	Green	Kiel	Nash	Raleigh	
Daniels	Grossell	Koznick	Nelson, N.	Rasmusson	

Those who voted in the negative were:

Acomb	Edelson	Hausman	Liebling	Nelson, M.	Sundin
Agbaje	Elkins	Her	Lillie	Noor	Thompson
Bahner	Feist	Hollins	Lippert	Olson, L.	Vang
Becker-Finn	Fischer	Hornstein	Lislegard	Pelowski	Winkler
Berg	Frazier	Howard	Long	Pinto	Wolgamott
Bernardy	Frederick	Huot	Mariani	Pryor	Xiong, J.
Bierman	Freiberg	Jordan	Marquart	Reyer	Xiong, T.
Boldon	Gomez	Keeler	Masin	Richardson	Youakim
Carlson	Greenman	Klevorn	Moller	Sandell	Spk. Hortman
Christensen	Hansen, R.	Koegel	Moran	Sandstede	
Davnie	Hanson, J.	Kotyza-Witthuhn	Morrison	Schultz	
Ecklund	Hassan	Lee	Murphy	Stephenson	

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

Igo moved to amend S. F. No. 972, the third engrossment, as amended, as follows:

Page 174, delete lines 27 and 28 and insert:

"(d) "Carbon-free resource" means:

(1) a program or practice that reduces the need for energy generation by including one or more of the following:

(i) energy storage; and

(ii) energy conservation, energy efficiency, and load management as those terms are defined by section 216B.241, subdivision 1; or

(2) a generation facility that uses one or more of the following:

(i) renewable energy;

(ii) nuclear energy;

(iii) hydrogen technologies; and

(iv) power generation utilizing carbon capture and storage technology, if that carbon capture and storage facility captures, on an annual basis, at least 80 percent of the carbon dioxide the facility produces from burning fuel to generate electricity; and

(A) injects carbon dioxide captured into a geologic formation to prevent its release into the atmosphere;

(B) makes commercial use of the carbon dioxide captured, including by transferring it to a third party for commercial use; or

(C) employs a combination of items (A) and (B)."

A roll call was requested and properly seconded.

The question was taken on the Igo amendment and the roll was called. There were 63 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Akland	Daudt	Gruenhagen	Kresha	Neu Brindley	Robbins
Albright	Davids	Haley	Lucero	Novotny	Schomacker
Anderson	Demuth	Hamilton	Lueck	O'Driscoll	Scott
Backer	Dettmer	Heinrich	McDonald	Olson, B.	Swedzinski
Bahr	Drazkowski	Heintzeman	Mekeland	O'Neill	Theis
Baker	Erickson	Hertaus	Miller	Pfarr	Torkelson
Bennett	Franke	Igo	Mortensen	Pierson	Urdahl
Bliss	Franson	Johnson	Mueller	Poston	West
Boe	Garofalo	Jurgens	Munson	Quam	
Burkel	Green	Kiel	Nash	Raleigh	
Daniels	Grossell	Koznick	Nelson, N.	Rasmusson	

Those who voted in the negative were:

Acomb	Edelson	Hausman	Liebling	Nelson, M.	Sundin
Agbaje	Elkins	Her	Lillie	Noor	Vang
Bahner	Feist	Hollins	Lippert	Olson, L.	Wazlawik
Becker-Finn	Fischer	Hornstein	Lislegard	Pelowski	Winkler
Berg	Frazier	Howard	Long	Pinto	Wolgamott
Bernardy	Frederick	Huot	Mariani	Pryor	Xiong, J.
Bierman	Freiberg	Jordan	Marquart	Reyer	Xiong, T.
Boldon	Gomez	Keeler	Masin	Richardson	Youakim
Carlson	Greenman	Klevorn	Moller	Sandell	Spk. Hortman
Christensen	Hansen, R.	Koegel	Moran	Sandstede	
Davnie	Hanson, J.	Kotyza-Witthuhn	Morrison	Schultz	
Ecklund	Hassan	Lee	Murphy	Stephenson	

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

Mekeland moved to amend S. F. No. 972, the third engrossment, as amended, as follows:

Page 304, line 27, delete "(a)"

Page 304, delete line 28

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Mekeland amendment and the roll was called. There were 63 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Akland	Daudt	Gruenhagen	Kresha	Neu Brindley	Robbins
Albright	Davids	Haley	Lucero	Novotny	Schomacker
Anderson	Demuth	Hamilton	Lueck	O'Driscoll	Scott
Backer	Dettmer	Heinrich	McDonald	Olson, B.	Swedzinski
Bahr	Drazkowski	Heintzeman	Mekeland	O'Neill	Theis
Baker	Erickson	Hertaus	Miller	Pfarr	Torkelson
Bennett	Franke	Igo	Mortensen	Pierson	Urdahl
Bliss	Franson	Johnson	Mueller	Poston	West
Boe	Garofalo	Jurgens	Munson	Quam	
Burkel	Green	Kiel	Nash	Raleigh	
Daniels	Grossell	Koznick	Nelson, N.	Rasmusson	

Those who voted in the negative were:

Acomb	Bernardy	Davnie	Fischer	Greenman	Her
Agbaje	Bierman	Ecklund	Frazier	Hansen, R.	Hollins
Bahner	Boldon	Edelson	Frederick	Hanson, J.	Hornstein
Becker-Finn	Carlson	Elkins	Freiberg	Hassan	Howard
Berg	Christensen	Feist	Gomez	Hausman	Huot

Jordan	Lillie	Morrison	Pryor	Sundin	Xiong, T.
Keeler	Lippert	Murphy	Reyer	Thompson	Youakim
Klevorn	Lislegard	Nelson, M.	Richardson	Vang	Spk. Hortman
Koegel	Long	Noor	Sandell	Wazlawik	
Kotyza-Witthuhn	Marquart	Olson, L.	Sandstede	Winkler	
Lee	Masin	Pelowski	Schultz	Wolgamott	
Liebling	Moller	Pinto	Stephenson	Xiong, J.	

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

Haley moved to amend S. F. No. 972, the third engrossment, as amended, as follows:

Page 47, after line 26, insert:

"Sec. 17. **STUDY AND REPORT ON DISPARITIES BETWEEN GEOGRAPHIC RATING AREAS IN INDIVIDUAL AND SMALL GROUP MARKET HEALTH INSURANCE RATES.**

Subdivision 1. **Study and recommendations.** (a) The commissioner of commerce must study disparities between Minnesota's nine geographic rating areas in individual and small group market health insurance rates, and recommend ways to reduce or eliminate rate disparities between the geographic rating areas and provide stability for the individual and small group health insurance markets in Minnesota. The commissioner of commerce must:

(1) identify the factors that cause higher individual and small group market health insurance rates in certain geographic rating areas, and determine the extent to which each identified factor contributes to the higher rates;

(2) identify the impact of referral centers on individual and small group market health insurance rates in southeastern Minnesota, and identify ways to reduce the rate disparity between southeastern Minnesota and the metropolitan area, taking into consideration the patterns of referral center usage by patients in those regions;

(3) determine the extent to which individuals and small employers located in a geographic rating area with higher health insurance rates than surrounding geographic rating areas have obtained health insurance in a lower-cost geographic rating area, identify the strategies that individuals and small employers use to obtain health insurance in a lower-cost geographic rating area, and measure the effects of this practice on the rates of the individuals and small employers remaining in the geographic rating area with higher health insurance rates; and

(4) develop proposals to redraw the boundaries of Minnesota's geographic rating areas and calculate the effect each proposal would have on rates in each of the proposed rating areas. The commissioner of commerce must examine at least three options for redrawing the boundaries of Minnesota's geographic rating areas, at least one of which must reduce the number of geographic rating areas. All options for redrawing Minnesota's geographic rating areas considered by the commissioner of commerce must be designed:

(i) to reduce or eliminate rate disparities between geographic rating areas and provide for stability of the individual and small group health insurance markets in Minnesota;

(ii) after considering the composition of existing provider networks and referral patterns in regions of Minnesota; and

(iii) in compliance with the requirements for geographic rating areas in Code of Federal Regulations, title 45, section 147.102(b), and other applicable federal law and guidance.

(b) Health carriers that cover Minnesota residents, health systems that provide care to Minnesota residents, and the commissioner of health must cooperate with any requests for information from the commissioner of commerce that the commissioner of commerce determines is necessary to conduct the study.

(c) The commissioner of commerce may recommend one or more proposals for redrawing Minnesota's geographic rating areas if the commissioner of commerce determines that the proposal would reduce or eliminate individual and small group market health insurance rate disparities between the geographic rating areas and provide stability for the individual and small group health insurance markets in Minnesota.

Subd. 2. **Contract.** The commissioner of commerce may contract with another entity for technical assistance in conducting the study and developing recommendations according to subdivision 1.

Subd. 3. **Report.** The commissioner of commerce shall complete the study and recommendations by January 1, 2022, and submit a report on the study and recommendations by that date to the chairs and ranking minority members of the legislative committees with jurisdiction over health care and health insurance. The commissioner of commerce shall complete the study using existing appropriations."

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed and the amendment was adopted.

O'Driscoll moved to amend S. F. No. 972, the third engrossment, as amended, as follows:

Page 47, after line 26, insert:

"Sec. 17. Laws 2017, chapter 13, article 1, section 15, as amended by Laws 2017, First Special Session chapter 6, article 5, section 10, and Laws 2019, First Special Session chapter 9, article 8, section 19, is amended to read:

Sec. 15. **MINNESOTA PREMIUM SECURITY PLAN FUNDING.**

(a) The Minnesota Comprehensive Health Association shall fund the operational and administrative costs and reinsurance payments of the Minnesota security plan and association using the following amounts deposited in the premium security plan account in Minnesota Statutes, section 62E.25, subdivision 1, in the following order:

(1) any federal funding available;

(2) funds deposited under article 1, sections 12 and 13;

(3) any state funds from the health care access fund; and

(4) any state funds from the general fund.

(b) The association shall transfer from the premium security plan account any remaining state funds not used for the Minnesota premium security plan by June 30, ~~2023~~ 2024, to the commissioner of commerce. Any amount transferred to the commissioner of commerce shall be deposited in the health care access fund in Minnesota Statutes, section 16A.724.

(c) The Minnesota Comprehensive Health Association may not spend more than $271,000,000 for benefit year 2018 and not more than $271,000,000 for benefit year 2019 for the operational and administrative costs of, and reinsurance payments under, the Minnesota premium security plan.

Sec. 18. **MINNESOTA PREMIUM SECURITY PLAN ADMINISTERED THROUGH THE 2022 BENEFIT YEAR.**

The Minnesota Comprehensive Health Association must administer the Minnesota premium security plan through the 2022 benefit year.

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

Renumber the sections in sequence

Amend the title accordingly

A roll call was requested and properly seconded.

Edelson was excused between the hours of 3:00 p.m. and 3:35 p.m.

The Speaker assumed the Chair.

The question was taken on the O'Driscoll amendment and the roll was called. There were 56 yeas and 76 nays as follows:

Those who voted in the affirmative were:

Akland	Daudt	Gruenhagen	Koznick	Olson, B.	Scott
Albright	Davids	Haley	Kresha	O'Neill	Swedzinski
Anderson	Demuth	Hamilton	Lueck	Pfarr	Theis
Backer	Dettmer	Heinrich	McDonald	Pierson	Torkelson
Baker	Erickson	Heintzeman	Mueller	Poston	Urdahl
Bennett	Franke	Hertaus	Nash	Quam	West
Bliss	Franson	Igo	Nelson, N.	Raleigh	
Boe	Garofalo	Johnson	Neu Brindley	Rasmusson	
Burkel	Green	Jurgens	Novotny	Robbins	
Daniels	Grossell	Kiel	O'Driscoll	Schomacker	

Those who voted in the negative were:

Acomb	Boldon	Fischer	Hassan	Keeler	Lislegard
Agbaje	Carlson	Frazier	Hausman	Klevorn	Long
Bahner	Christensen	Frederick	Her	Koegel	Lucero
Bahr	Davnie	Freiberg	Hollins	Kotyza-Witthuhn	Mariani
Becker-Finn	Drazkowski	Gomez	Hornstein	Lee	Marquart
Berg	Ecklund	Greenman	Howard	Liebling	Masin
Bernardy	Elkins	Hansen, R.	Huot	Lillie	Mekeland
Bierman	Feist	Hanson, J.	Jordan	Lippert	Miller

Moller	Murphy	Pinto	Sandstede	Vang	Xiong, T.
Moran	Nelson, M.	Pryor	Schultz	Wazlawik	Youakim
Morrison	Noor	Reyer	Stephenson	Winkler	Spk. Hortman
Mortensen	Olson, L.	Richardson	Sundin	Wolgamott	
Munson	Pelowski	Sandell	Thompson	Xiong, J.	

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

Jurgens moved to amend S. F. No. 972, the third engrossment, as amended, as follows:

Page 109, after line 10, insert:

"Sec. 28. Minnesota Statutes 2020, section 349.172, subdivision 2, is amended to read:

Subd. 2. **Posting; requirements.** (a) The information required to be posted under subdivision 1 must be posted prominently at the point of sale of ~~the~~ paper pull-tabs. An easily legible pull-tab flare that lists prizes in the deal for that flare, and on which prizes are marked off as they are awarded, satisfies the requirements of this section that major prizes be posted, provided that a separate flare is posted for each deal of pull-tabs. An organization must post or mark off each major prize and post the name of the prize winner immediately on awarding the prize.

(b) The information required to be posted under subdivision 1 must be posted prominently on an easily legible flare of an electronic pull-tab and an organization must post each major prize and post the name of the prize winner immediately on awarding the prize."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Franke moved to amend S. F. No. 972, the third engrossment, as amended, as follows:

Page 106, delete sections 24 and 25

Page 107, delete section 26

Page 108, delete section 27

Renumber the sections in sequence

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Franke amendment and the roll was called. There were 59 yeas and 74 nays as follows:

Those who voted in the affirmative were:

Akland	Daudt	Haley	Kresha	Nash	Pierson
Anderson	Demuth	Hamilton	Lislegard	Nelson, N.	Poston
Backer	Dettmer	Heinrich	Lucero	Neu Brindley	Quam
Bahr	Drazkowski	Heintzeman	Lueck	Novotny	Raleigh
Baker	Erickson	Hertaus	McDonald	O'Driscoll	Robbins
Bennett	Franke	Igo	Mekeland	Olson, B.	Sandstede
Bliss	Franson	Johnson	Miller	O'Neill	Scott
Boe	Green	Jurgens	Mortensen	Pelowski	Theis
Burkel	Grossell	Kiel	Mueller	Petersburg	West
Daniels	Gruenhagen	Koznick	Munson	Pfarr	

Those who voted in the negative were:

Acomb	Ecklund	Hassan	Liebling	Olson, L.	Torkelson
Agbaje	Edelson	Hausman	Lillie	Pinto	Vang
Albright	Elkins	Her	Lippert	Pryor	Wazlawik
Bahner	Feist	Hollins	Long	Rasmusson	Winkler
Becker-Finn	Fischer	Hornstein	Mariani	Reyer	Wolgamott
Berg	Frazier	Howard	Marquart	Richardson	Xiong, J.
Bernardy	Frederick	Huot	Masin	Sandell	Xiong, T.
Bierman	Freiberg	Jordan	Moller	Schomacker	Youakim
Boldon	Garofalo	Keeler	Moran	Schultz	Spk. Hortman
Carlson	Gomez	Klevorn	Morrison	Stephenson	
Christensen	Greenman	Koegel	Murphy	Sundin	
Davids	Hansen, R.	Kotyza-Witthuhn	Nelson, M.	Swedzinski	
Davnie	Hanson, J.	Lee	Noor	Thompson	

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

Jurgens moved to amend S. F. No. 972, the third engrossment, as amended, as follows:

Page 109, after line 10, insert:

"Sec. 28. Minnesota Statutes 2020, section 349.1721, subdivision 4, is amended to read:

Subd. 4. **Electronic pull-tab device requirements and restrictions.** The following pertain to the use of electronic pull-tab devices as defined under section 349.12, subdivision 12b.

(a) The use of any electronic pull-tab device may only be at a permitted premises that is:

(1) a premises licensed for the on-sale of intoxicating liquor or on-sale 3.2 percent malt beverages; or

(2) a premises where bingo is conducted as the primary business and has a seating capacity of at least 100~~; and~~

~~(3) where a licensed organization sells paper pull-tabs and consents to the conduct of electronic pull-tab devices on the premises~~.

~~(b) The number of electronic pull-tab devices is limited to:~~

~~(1) no more than six devices in play at any permitted premises with 200 seats or less;~~

~~(2) no more than 12 devices in play at any permitted premises with 201 seats or more; and~~

~~(3) no more than 50 devices in play at any permitted premises where the primary business is bingo.~~

~~Seating capacity is determined as specified under the local fire code.~~

~~(c)~~ (b) The hours of operation for the devices are limited to 8:00 a.m. to 2:00 a.m.

~~(d)~~ (c) All electronic pull-tab games must be sold and played on the permitted premises and may not be linked to other permitted premises.

~~(e)~~ (d) Electronic pull-tab games may not be transferred electronically or otherwise to any other location by the licensed organization.

~~(f)~~ (e) Electronic pull-tab games may be commingled if the games are from the same family of games and manufacturer and contain the same game name, form number, type of game, ticket count, prize amounts, and prize denominations. Each commingled game must have a unique serial number.

~~(g)~~ (f) An organization may remove from play a device that a player has not maintained in an activated mode for a specified period of time determined by the organization. The organization must provide the notice in its house rules.

~~(h)~~ (g) Before participating in the play of an electronic pull-tab game, a player must present a valid picture identification card that includes the player's date of birth. Except for prize receipts required by section 349.19, subdivision 10, an organization is not required to register or retain any information contained on the player's picture identification card.

~~(i)~~ (h) A licensed organization must require each person cashing out an electronic pull-tab device with $600 or more in credits to present identification in the form of a driver's license, Minnesota identification card, or other identification the board deems sufficient to allow the identification and tracking of the winner. The organization must retain the winner's identification in the form of a prize receipt for 3-1/2 years. A prize receipt for electronic pull-tabs must include the same information as is required in board rules for a paper pull-tab game prize receipt.

~~(j)~~ (i) Except for prize receipts required by paragraph ~~(i)~~ (h), an organization is not required to register or retain any information contained on the player's picture identification card.

~~(k)~~ (j) Each player is limited to the use of one device at a time."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Nash offered an amendment to S. F. No. 972, the third engrossment, as amended.

POINT OF ORDER

Greenman raised a point of order pursuant to rule 3.21 that the Nash amendment was not in order. The Speaker ruled the point of order well taken and the Nash amendment out of order.

Nash offered an amendment to S. F. No. 972, the third engrossment, as amended.

POINT OF ORDER

Edelson raised a point of order pursuant to rule 3.21 that the Nash amendment was not in order. The Speaker ruled the point of order well taken and the Nash amendment out of order.

Nash appealed the decision of the Speaker.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" and the roll was called. There were 69 yeas and 62 nays as follows:

Those who voted in the affirmative were:

Acomb	Edelson	Hausman	Liebling	Nelson, M.	Sundin
Agbaje	Elkins	Her	Lillie	Noor	Vang
Bahner	Feist	Hollins	Lippert	Olson, L.	Wazlawik
Becker-Finn	Fischer	Hornstein	Lislegard	Pelowski	Winkler
Berg	Frazier	Howard	Long	Pinto	Wolgamott
Bernardy	Frederick	Huot	Mariani	Pryor	Xiong, J.
Bierman	Freiberg	Jordan	Marquart	Reyer	Xiong, T.
Boldon	Gomez	Keeler	Masin	Richardson	Youakim
Carlson	Greenman	Klevorn	Moller	Sandell	Spk. Hortman
Christensen	Hansen, R.	Koegel	Moran	Sandstede	
Davnie	Hanson, J.	Kotyza-Witthuhn	Morrison	Schultz	
Ecklund	Hassan	Lee	Murphy	Stephenson	

Those who voted in the negative were:

Akland	Daudt	Haley	Lucero	O'Driscoll	Schomacker
Albright	Davids	Hamilton	Lueck	Olson, B.	Scott
Anderson	Demuth	Heinrich	McDonald	O'Neill	Swedzinski
Backer	Dettmer	Heintzeman	Mekeland	Petersburg	Theis
Bahr	Drazkowski	Hertaus	Mortensen	Pfarr	Torkelson
Baker	Erickson	Igo	Mueller	Pierson	Urdahl
Bennett	Franson	Johnson	Munson	Poston	West
Bliss	Garofalo	Jurgens	Nash	Quam	
Boe	Green	Kiel	Nelson, N.	Raleigh	
Burkel	Grossell	Koznick	Neu Brindley	Rasmusson	
Daniels	Gruenhagen	Kresha	Novotny	Robbins	

So it was the judgment of the House that the decision of the Speaker should stand.

Daudt offered an amendment to S. F. No. 972, the third engrossment, as amended.

POINT OF ORDER

Lippert raised a point of order pursuant to rule 3.21 that the Daudt amendment was not in order. The Speaker ruled the point of order well taken and the Daudt amendment out of order.

Daudt appealed the decision of the Speaker.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" and the roll was called. There were 69 yeas and 64 nays as follows:

Those who voted in the affirmative were:

Acomb	Edelson	Hausman	Liebling	Nelson, M.	Sundin
Agbaje	Elkins	Her	Lillie	Noor	Vang
Bahner	Feist	Hollins	Lippert	Olson, L.	Wazlawik
Becker-Finn	Fischer	Hornstein	Lislegard	Pelowski	Winkler
Berg	Frazier	Howard	Long	Pinto	Wolgamott
Bernardy	Frederick	Huot	Mariani	Pryor	Xiong, J.
Bierman	Freiberg	Jordan	Marquart	Reyer	Xiong, T.
Boldon	Gomez	Keeler	Masin	Richardson	Youakim
Carlson	Greenman	Klevorn	Moller	Sandell	Spk. Hortman
Christensen	Hansen, R.	Koegel	Moran	Sandstede	
Davnie	Hanson, J.	Kotyza-Witthuhn	Morrison	Schultz	
Ecklund	Hassan	Lee	Murphy	Stephenson	

Those who voted in the negative were:

Akland	Daudt	Gruenhagen	Kresha	Neu Brindley	Rasmusson
Albright	Davids	Haley	Lucero	Novotny	Robbins
Anderson	Demuth	Hamilton	Lueck	O'Driscoll	Schomacker
Backer	Dettmer	Heinrich	McDonald	Olson, B.	Scott
Bahr	Drazkowski	Heintzeman	Mekeland	O'Neill	Swedzinski
Baker	Erickson	Hertaus	Miller	Petersburg	Theis
Bennett	Franke	Igo	Mortensen	Pfarr	Torkelson
Bliss	Franson	Johnson	Mueller	Pierson	Urdahl
Boe	Garofalo	Jurgens	Munson	Poston	West
Burkel	Green	Kiel	Nash	Quam	
Daniels	Grossell	Koznick	Nelson, N.	Raleigh	

So it was the judgment of the House that the decision of the Speaker should stand.

Igo offered an amendment to S. F. No. 972, the third engrossment, as amended.

POINT OF ORDER

Long raised a point of order pursuant to rule 3.21 that the Igo amendment was not in order. The Speaker ruled the point of order well taken and the Igo amendment out of order.

Daudt appealed the decision of the Speaker.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" and the roll was called. There were 70 yeas and 63 nays as follows:

Those who voted in the affirmative were:

Acomb	Edelson	Hausman	Liebling	Noor	Sundin
Agbaje	Elkins	Her	Lillie	Olson, L.	Thompson
Bahner	Feist	Hollins	Lippert	Pelowski	Vang
Becker-Finn	Fischer	Hornstein	Lislegard	Pinto	Wazlawik
Berg	Frazier	Howard	Long	Pryor	Winkler
Bernardy	Frederick	Huot	Marquart	Reyer	Wolgamott
Bierman	Freiberg	Jordan	Masin	Richardson	Xiong, J.
Boldon	Gomez	Keeler	Moller	Sandell	Xiong, T.
Carlson	Greenman	Klevorn	Moran	Sandstede	Youakim
Christensen	Hansen, R.	Koegel	Morrison	Schultz	Spk. Hortman
Davnie	Hanson, J.	Kotyza-Witthuhn	Murphy	Scott	
Ecklund	Hassan	Lee	Nelson, M.	Stephenson	

Those who voted in the negative were:

Akland	Daudt	Gruenhagen	Kresha	Neu Brindley	Rasmusson
Albright	Davids	Haley	Lucero	Novotny	Robbins
Anderson	Demuth	Hamilton	Lueck	O'Driscoll	Schomacker
Backer	Dettmer	Heinrich	McDonald	Olson, B.	Swedzinski
Bahr	Drazkowski	Heintzeman	Mekeland	O'Neill	Theis
Baker	Erickson	Hertaus	Miller	Petersburg	Torkelson
Bennett	Franke	Igo	Mortensen	Pfarr	Urdahl
Bliss	Franson	Johnson	Mueller	Pierson	West
Boe	Garofalo	Jurgens	Munson	Poston	
Burkel	Green	Kiel	Nash	Quam	
Daniels	Grossell	Koznick	Nelson, N.	Raleigh	

So it was the judgment of the House that the decision of the Speaker should stand.

Igo offered an amendment to S. F. No. 972, the third engrossment, as amended.

POINT OF ORDER

Long raised a point of order pursuant to rule 3.21 that the Igo amendment was not in order. The Speaker ruled the point of order well taken and the Igo amendment out of order.

Daudt appealed the decision of the Speaker.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" and the roll was called. There were 70 yeas and 64 nays as follows:

Those who voted in the affirmative were:

Acomb	Edelson	Hausman	Liebling	Nelson, M.	Sundin
Agbaje	Elkins	Her	Lillie	Noor	Thompson
Bahner	Feist	Hollins	Lippert	Olson, L.	Vang
Becker-Finn	Fischer	Hornstein	Lislegard	Pelowski	Wazlawik
Berg	Frazier	Howard	Long	Pinto	Winkler
Bernardy	Frederick	Huot	Mariani	Pryor	Wolgamott
Bierman	Freiberg	Jordan	Marquart	Reyer	Xiong, J.
Boldon	Gomez	Keeler	Masin	Richardson	Xiong, T.
Carlson	Greenman	Klevorn	Moller	Sandell	Youakim
Christensen	Hansen, R.	Koegel	Moran	Sandstede	Spk. Hortman
Davnie	Hanson, J.	Kotyza-Witthuhn	Morrison	Schultz	
Ecklund	Hassan	Lee	Murphy	Stephenson	

Those who voted in the negative were:

Akland	Daudt	Gruenhagen	Kresha	Neu Brindley	Rasmusson
Albright	Davids	Haley	Lucero	Novotny	Robbins
Anderson	Demuth	Hamilton	Lueck	O'Driscoll	Schomacker
Backer	Dettmer	Heinrich	McDonald	Olson, B.	Scott
Bahr	Drazkowski	Heintzeman	Mekeland	O'Neill	Swedzinski
Baker	Erickson	Hertaus	Miller	Petersburg	Theis
Bennett	Franke	Igo	Mortensen	Pfarr	Torkelson
Bliss	Franson	Johnson	Mueller	Pierson	Urdahl
Boe	Garofalo	Jurgens	Munson	Poston	West
Burkel	Green	Kiel	Nash	Quam	
Daniels	Grossell	Koznick	Nelson, N.	Raleigh	

So it was the judgment of the House that the decision of the Speaker should stand.

Igo moved to amend S. F. No. 972, the third engrossment, as amended, as follows:

Page 190, line 11, delete "and"

Page 190, line 13, delete the period and insert "; and"

Page 190, after line 13, insert:

"(3) will result in any harmful effects to the continued operation of the state's mining or logging industry."

Stephenson moved to amend the Igo amendment to S. F. No. 972, the third engrossment, as amended, as follows:

Page 1, line 6, after "any" insert "positive or" and delete "to the continued operation of the state's" and insert "on the economy of northeastern Minnesota, including but not limited to" and delete "or" and insert a comma

Page 1, line 7, after "logging" insert ", and the clean energy"

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Igo amendment, as amended, to S. F. No. 972, the third engrossment, as amended. The motion prevailed and the amendment, as amended, was adopted.

S. F. No. 972, A bill for an act relating to commerce and energy; appropriating money for the Department of Commerce; modifying the evaluation process for mandated health benefit proposals; requiring the commissioner of commerce to apply for continuation of the state innovation waiver; establishing a revolving loan fund for energy conservation improvements in state buildings; establishing the Minnesota efficient technology accelerator; authorizing a power purchase agreement for certain electric cogeneration activities; encouraging natural gas utilities to develop innovative resources; establishing a program to provide financial incentives for the production of wood pellets; extending provision to assess for certain regulatory duties; abolishing prohibition on issuing certificate of need for new nuclear power plant; establishing a program to promote the use of solar energy on school buildings; establishing a process to compensate businesses for loss of business opportunity resulting from sale and closure of a biomass energy plant; authorizing a local exchange carrier to elect competitive market regulation under certain conditions; appropriating money; requiring reports; amending Minnesota Statutes 2020, sections 16B.86; 16B.87; 62J.03, subdivision 4; 62J.26, subdivisions 1, 2, 3, 4, 5; 116C.779, subdivision 1; 116C.7792; 216B.1691, subdivision 2f; 216B.241, by adding a subdivision; 216B.2422, by adding a subdivision; 216B.2424, by adding subdivisions; 216B.243, subdivision 3b; 216B.62, subdivision 3b; 237.025, subdivisions 6, 9; Laws 2017, chapter 13, article 1, section 15, as amended; proposing coding for new law in Minnesota Statutes, chapters 216B; 216C; repealing Minnesota Statutes 2020, sections 115C.13; 216C.417; Laws 2005, chapter 97, article 10, section 3, as amended.

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

The question was taken on the passage of the bill and the roll was called. There were 70 yeas and 64 nays as follows:

Those who voted in the affirmative were:

Acomb	Edelson	Hausman	Liebling	Nelson, M.	Sundin
Agbaje	Elkins	Her	Lillie	Noor	Thompson
Bahner	Feist	Hollins	Lippert	Olson, L.	Vang
Becker-Finn	Fischer	Hornstein	Lislegard	Pelowski	Wazlawik
Berg	Frazier	Howard	Long	Pinto	Winkler
Bernardy	Frederick	Huot	Mariani	Pryor	Wolgamott
Bierman	Freiberg	Jordan	Marquart	Reyer	Xiong, J.
Boldon	Gomez	Keeler	Masin	Richardson	Xiong, T.
Carlson	Greenman	Klevorn	Moller	Sandell	Youakim
Christensen	Hansen, R.	Koegel	Moran	Sandstede	Spk. Hortman
Davnie	Hanson, J.	Kotyza-Witthuhn	Morrison	Schultz	
Ecklund	Hassan	Lee	Murphy	Stephenson	

Those who voted in the negative were:

Akland	Daudt	Gruenhagen	Kresha	Neu Brindley	Rasmusson
Albright	Davids	Haley	Lucero	Novotny	Robbins
Anderson	Demuth	Hamilton	Lueck	O'Driscoll	Schomacker
Backer	Dettmer	Heinrich	McDonald	Olson, B.	Scott
Bahr	Drazkowski	Heintzeman	Mekeland	O'Neill	Swedzinski
Baker	Erickson	Hertaus	Miller	Petersburg	Theis
Bennett	Franke	Igo	Mortensen	Pfarr	Torkelson
Bliss	Franson	Johnson	Mueller	Pierson	Urdahl
Boe	Garofalo	Jurgens	Munson	Poston	West
Burkel	Green	Kiel	Nash	Quam	
Daniels	Grossell	Koznick	Nelson, N.	Raleigh	

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

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1077:

Hausman, Howard, Agbaje, Reyer and Theis.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 975:

Bernardy, Christensen, Keeler, Klevorn and O'Neill.

There being no objection, the order of business reverted to Calendar for the Day.

CALENDAR FOR THE DAY

S. F. No. 970 was reported to the House.

Mariani moved to amend S. F. No. 970, the third engrossment, as follows:

Delete everything after the enacting clause and insert the following language of H. F. No. 1078, the second engrossment:

"ARTICLE 1
JUDICIARY APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively. "The first year" is fiscal year 2022. "The second year" is fiscal year 2023. "The biennium" is fiscal years 2022 and 2023.

	APPROPRIATIONS Available for the Year Ending June 30 2022	2023
Sec. 2. **SUPREME COURT**		
Subdivision 1. **Total Appropriation**	**$61,132,000**	**$61,780,000**
The amounts that may be spent for each purpose are specified in the following subdivisions.		
Subd. 2. **Supreme Court Operations**	44,204,000	43,582,000

(a) **Contingent Account**

$5,000 each year is for a contingent account for expenses necessary for the normal operation of the court for which no other reimbursement is provided.

(b) **Insurance Cost Increases**

$306,000 in fiscal year 2022 and $661,000 in fiscal year 2023 are to fund increases in insurance costs.

(c) **Increased Compensation**

$1,139,000 in fiscal year 2023 is for increased compensation for judges and other employees.

(d) **Minnesota Court Record Online Application**

$741,000 in fiscal year 2022 is to fund critical improvements to the Minnesota Court Record Online application. This is a onetime appropriation.

(e) **Cybersecurity Program**

$375,000 in fiscal year 2022 is to fund critical improvements to the judiciary branch cybersecurity program. This is a onetime appropriation.

(f) **Courthouse Safety**

$1,000,000 in fiscal year 2022 is for a competitive grant program established by the chief justice for the distribution of safe and secure courthouse fund grants to governmental entities responsible for providing or maintaining a courthouse or other facility where court proceedings are held. Grant recipients must provide a 50 percent nonstate match. This is a onetime appropriation and is available until June 30, 2024.

Subd. 3. **Civil Legal Services** 16,928,000 18,198,000

(a) **Legal Services to Low-Income Clients in Family Law Matters**

$1,017,000 each year is to improve the access of low-income clients to legal representation in family law matters. This appropriation must be distributed under Minnesota Statutes, section 480.242, to the qualified legal services program described in Minnesota Statutes, section 480.242, subdivision 2, paragraph (a). Any unencumbered balance remaining in the first year does not cancel and is available in the second year.

(b) **Base Adjustment**

The base appropriation for civil legal services shall be $18,387,000 in fiscal year 2024 and beyond.

Sec. 3. **COURT OF APPEALS** **$13,234,000** **$13,634,000**

(a) **Insurance Cost Increases**

$71,000 in fiscal year 2022 and $155,000 in fiscal year 2023 are to fund increases in insurance costs.

(b) **Increased Compensation**

$316,000 in fiscal year 2023 is for increased compensation for judges and other employees.

Sec. 4. **DISTRICT COURTS** **$320,509,000** **$330,704,000**

(a) **Insurance Cost Increases**

$2,425,000 in fiscal year 2022 and $5,232,000 in fiscal year 2023 are to fund increases in insurance costs.

(b) **Increased Compensation**

$7,421,000 in fiscal year 2023 is for increased compensation for judges and other employees.

(c) **Interpreter Compensation**

$400,000 in fiscal year 2022 and $400,000 in fiscal year 2023 are to increase hourly fees paid to qualified certified and uncertified interpreters who are independent contractors and assist persons disabled in communication in legal proceedings.

Sec. 5. **GUARDIAN AD LITEM BOARD** **$22,206,000** **$22,889,000**

Sec. 6. **TAX COURT** **$1,827,000** **$1,841,000**

Sec. 7. **UNIFORM LAWS COMMISSION** **$100,000** **$100,000**

Sec. 8. **BOARD ON JUDICIAL STANDARDS** **$580,000** **$586,000**

(a) **Availability of Appropriation**

If the appropriation for either year is insufficient, the appropriation for the other fiscal year is available.

(b) **Major Disciplinary Actions**

$125,000 each year is for special investigative and hearing costs for major disciplinary actions undertaken by the board. This appropriation does not cancel. Any unencumbered and unspent balances remain available for these expenditures until June 30, 2025.

Sec. 9. **BOARD OF PUBLIC DEFENSE** **$109,770,000** **$112,468,000**

(a) **Public Defense Corporations**

$74,000 the first year and $152,000 the second year are for increases to public defense corporations.

(b) **Postconviction Relief Petitions**

$187,000 in fiscal year 2022 is for contract attorneys to represent individuals who file postconviction relief petitions.

Sec. 10. **HUMAN RIGHTS** **$5,668,000** **$5,768,000**

Additional Staffing and Administrative Costs

$345,000 in fiscal year 2022 and $350,000 in fiscal year 2023 are for improving caseload processing, costs associated with prohibiting rental discrimination, staff and administrative costs necessary to collect and report on crimes of bias, and to develop training materials with the Board of Peace Officer Standards and Training.

Sec. 11. **OFFICE OF THE STATE AUDITOR** **$64,000** **$30,000**

Forfeiture Reporting

$64,000 in fiscal year 2022 and $30,000 in fiscal year 2023 are for costs associated with forfeiture reporting requirements.

Sec. 12. **DEPARTMENT OF PUBLIC SAFETY** **$24,000** **$-0-**

Forfeiture Notices

$24,000 in fiscal year 2022 is for costs for technological upgrades required for generating forfeiture notices and property receipts.

Sec. 13. **FEDERAL FUNDS REPLACEMENT; APPROPRIATION.**

Notwithstanding any law to the contrary, the commissioner of management and budget must determine whether the expenditures authorized under this article are eligible uses of federal funding received under the Coronavirus State Fiscal Recovery Fund or any other federal funds received by the state under the American Rescue Plan Act, Public Law 117-2. If the commissioner of management and budget determines an expenditure is eligible for funding under Public Law 117-2, the amount of the eligible expenditure is appropriated from the account where those amounts have been deposited and the corresponding general fund amounts appropriated under this act are canceled to the general fund.

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

ARTICLE 2
PUBLIC SAFETY APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively. "The first year" is fiscal year 2022. "The second year" is fiscal year 2023. "The biennium" is fiscal years 2022 and 2023. Appropriations for the fiscal year ending June 30, 2021, are effective the day following final enactment.

	APPROPRIATIONS Available for the Year Ending June 30		
	2021	**2022**	**2023**
Sec. 2. **SENTENCING GUIDELINES**		**$826,000**	**$851,000**

Information on Probation

$86,000 each year is to collect, prepare, analyze, and disseminate information about probation practices.

Sec. 3. **PUBLIC SAFETY**

Subdivision 1. **Total Appropriation**	**$1,380,000**	**$232,135,000**	**$228,551,000**

Appropriations by Fund

	2021	2022	2023
General	1,365,000	145,161,000	142,704,000
Special Revenue		14,901,000	14,502,000
State Government Special Revenue		103,000	103,000
Environmental		73,000	73,000
Trunk Highway		3,981,000	3,262,000
911 Fund		67,897,000	67,888,000
Opioid Fund	15,000	19,000	19,000

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

Subd. 2. **Emergency Management**		6,000,000	6,156,000
	Appropriations by Fund		
General	5,927,000	6,083,000	
Environmental	73,000	73,000	

(a) **Emergency Management Grants; Report**

$3,000,000 each year is for the director of the Homeland Security and Emergency Management Division (HSEM) to award grants in equal amounts to emergency management departments in the 87 counties, 11 federally recognized Tribes, and four cities of the first class for planning and preparedness activities, including capital purchases. This amount is a onetime appropriation. Local emergency management departments must make a request to HSEM for these grants. Current local funding for emergency management and preparedness activities may not be supplanted by these additional state funds.

By March 15, 2023, the commissioner of public safety must submit a report on the grant awards to the chairs and ranking minority members of the legislative committees with jurisdiction over emergency management and preparedness activities. At a minimum, the report must summarize grantee activities and identify grant recipients.

(b) **Supplemental Nonprofit Security Grants**

$225,000 each year is for supplemental nonprofit security grants under this paragraph.

Nonprofit organizations whose applications for funding through the Federal Emergency Management Agency's nonprofit security grant program have been approved by the Division of Homeland Security and Emergency Management are eligible for grants under this paragraph. No additional application shall be required for grants under this paragraph, and an application for a grant from the federal program is also an application for funding from the state supplemental program.

Eligible organizations may receive grants of up to $75,000, except that the total received by any individual from both the federal nonprofit security grant program and the state supplemental nonprofit security grant program shall not exceed $75,000. Grants shall be awarded in an order consistent with the ranking given to applicants for the federal nonprofit security grant program. No grants under the state supplemental nonprofit security grant

program shall be awarded until the announcement of the recipients and the amount of the grants awarded under the federal nonprofit security grant program.

The commissioner may use up to one percent of the appropriation received under this paragraph to pay costs incurred by the department in administering the supplemental nonprofit security grant program. These appropriations are onetime.

Subd. 3. **Criminal Apprehension**	1,261,000	80,118,000	79,968,000

Appropriations by Fund

General	1,246,000	76,111,000	73,680,000
State Government Special Revenue		7,000	7,000
Trunk Highway		3,981,000	3,262,000
Opioid Fund	15,000	19,000	19,000

(a) **DWI Lab Analysis; Trunk Highway Fund**

Notwithstanding Minnesota Statutes, section 161.20, subdivision 3, $3,981,000 the first year and $3,262,000 the second year are from the trunk highway fund for staff and operating costs for laboratory analysis related to driving-while-impaired cases.

(b) **Cybersecurity**

$2,955,000 the first year and $2,605,000 the second year are for identity and access management, critical infrastructure upgrades, and Federal Bureau of Investigation audit compliance. The base for this is $1,050,000 in fiscal years 2024 and 2025.

(c) **Rapid DNA Program**

$285,000 each year is from the general fund for the Rapid DNA Program.

(d) **Responding to Civil Unrest**

$539,000 in fiscal year 2021 and $539,000 in fiscal year 2022 is from the general fund for costs related to responding to civil unrest. This is a onetime appropriation.

(e) **National Guard Sexual Assault Investigations**

$160,000 each year is for investigation of criminal sexual conduct allegations filed against members of the Minnesota National Guard by another member of the Minnesota National Guard. This appropriation is added to the agency's base.

(f) **Predatory Offender Statutory Framework Working Group**

$131,000 the first year is to convene, administer, and implement the predatory offender statutory framework working group.

(g) **Automatic Expungement**

$1,248,000 the first year is for costs associated with providing automatic expungements.

(h) **Salary Increases; Special Agents**

$524,000 in fiscal year 2021 is appropriated for Bureau of Criminal Apprehension special agent salary increases. In each of fiscal years 2022 and 2023, $717,000 is appropriated for this purpose. This amount is in addition to the base appropriation for this purpose.

(i) **Salary Increases; Special Agents**

$15,000 in fiscal year 2021 is appropriated from the opiate epidemic response fund for Bureau of Criminal Apprehension special agent salary increases. In each of fiscal years 2022 and 2023, $19,000 is appropriated from the opiate epidemic response fund for this purpose. This amount is in addition to the base appropriation for this purpose.

(j) **Emergency COVID-19 Sick Leave**

$183,000 in fiscal year 2021 is for emergency COVID-19 sick leave. This funding is onetime.

(k) **Body Cameras**

$397,000 the first year and $205,000 the second year are to purchase body cameras for peace officers employed by the Bureau of Criminal Apprehension and to maintain the necessary hardware, software, and data.

(l) **Criminal Alert Network; Alzheimer's and Dementia**

$200,000 the first year is for the criminal alert network to increase membership, reduce the registration fee, and create additional alert categories, including at a minimum a dementia and Alzheimer's disease specific category.

Subd. 4. **Fire Marshal** 8,752,000 8,818,000

Appropriations by Fund

General	178,000	178,000
Special Revenue	8,574,000	8,640,000

The special revenue fund appropriation is from the fire safety account in the special revenue fund and is for activities under Minnesota Statutes, section 299F.012. The base appropriation from this account is $8,740,000 in fiscal year 2024 and $8,640,000 in fiscal year 2025.

(a) **Inspections**

$350,000 each year is for inspection of nursing homes and boarding care facilities.

(b) **Hazmat and Chemical Assessment Teams**

$950,000 the first year and $850,000 the second year are from the fire safety account in the special revenue fund. These amounts must be used to fund the hazardous materials and chemical assessment teams. Of this amount, $100,000 the first year is for cases for which there is no identified responsible party. The base appropriation is $950,000 in fiscal year 2024 and $850,000 in fiscal year 2025.

(c) **Bomb Squad Reimbursements**

$50,000 each year is from the general fund for reimbursements to local governments for bomb squad services.

(d) **Emergency Response Teams**

$675,000 each year is from the fire safety account in the special revenue fund to maintain four emergency response teams: one under the jurisdiction of the St. Cloud Fire Department or a similarly located fire department if necessary; one under the jurisdiction of the Duluth Fire Department; one under the jurisdiction of the St. Paul Fire Department; and one under the jurisdiction of the Moorhead Fire Department.

Subd. 5. **Firefighter Training and Education Board**		5,792,000	5,792,000
Appropriations by Fund			
Special Revenue	5,792,000	5,792,000	

The special revenue fund appropriation is from the fire safety account in the special revenue fund and is for activities under Minnesota Statutes, section 299F.012.

(a) **Firefighter Training and Education**

$4,500,000 each year is for firefighter training and education.

(b) **Task Force 1**

$975,000 each year is for the Minnesota Task Force 1.

(c) **Air Rescue**

$317,000 each year is for the Minnesota Air Rescue Team.

(d) **Unappropriated Revenue**

Any additional unappropriated money collected in fiscal year 2021 is appropriated to the commissioner of public safety for the purposes of Minnesota Statutes, section 299F.012. The commissioner may transfer appropriations and base amounts between activities in this subdivision.

Subd. 6. **Alcohol and Gambling Enforcement**	119,000	2,648,000	2,598,000

Appropriations by Fund

General	119,000	2,578,000	2,528,000
Special Revenue		70,000	70,000

$70,000 each year is from the lawful gambling regulation account in the special revenue fund.

(a) **Legal Costs**

$93,000 the first year is for legal costs associated with Alexis Bailly Vineyard, Inc. v. Harrington. This is a onetime appropriation.

(b) **Responding to Civil Unrest**

$86,000 in fiscal year 2021 and $71,000 in fiscal year 2022 are from the general fund for costs related to responding to civil unrest. This is a onetime appropriation.

(c) **Salary Increases; Special Agents**

$33,000 in fiscal year 2021 is appropriated for Alcohol and Gambling Enforcement Division special agent salary increases. In each of fiscal years 2022 and 2023, $44,000 is appropriated for this purpose. This amount is in addition to the base appropriation for this purpose.

(d) **Body Cameras**

$16,000 each year is to purchase body cameras for peace officers employed by the Alcohol and Gambling Enforcement Division and to maintain the necessary hardware, software, and data.

Subd. 7. **Office of Justice Programs** 60,463,000 60,331,000

Appropriations by Fund

General	60,367,000	60,235,000
State Government Special Revenue	96,000	96,000

(a) **Combatting Sex Trafficking Grants**

$1,000,000 each year is for an antitrafficking investigation coordinator and to implement new or expand existing strategies to combat sex trafficking.

(b) **Survivor Support and Prevention Grants**

$6,000,000 each year is for grants to victim survivors and to fund emerging or unmet needs impacting victims of crime, particularly in underserved populations. The ongoing base for this program shall be $1,500,000 beginning in fiscal year 2024.

(c) **Minnesota Heals Program**

$1,500,000 each year is to establish and maintain the Minnesota Heals program. Of this amount, $500,000 each year is for a statewide critical incident stress management service for first responders; $500,000 each year is for grants for establishing and maintaining a community healing network; and $500,000 each year is for reimbursement for burial costs, cultural ceremonies, and mental health and trauma healing services for families following an officer-involved death.

(d) **Innovation in Community Safety Grants**

$5,000,000 each year is for innovation in community safety grants administered by the Innovation in Community Safety Coordinator.

(e) **Youth Intervention Program Grants**

$500,000 the first year and $500,000 the second year are for youth intervention program grants.

(f) **Racially Diverse Youth in Shelters**

$150,000 each year is for grants to organizations to address racial disparity of youth using shelter services in the Rochester and St. Cloud regional areas. A grant recipient shall establish and operate a pilot program to engage in community intervention, family reunification, aftercare, and follow up when family members are released from shelter services. A pilot program shall specifically address the high number of racially diverse youth that enter shelters in the region.

(g) **Task Force on Missing and Murdered African American Women**

$202,000 the first year and $50,000 the second year are to implement the task force on missing and murdered African American women.

(h) **Body Camera Grant Program**

$1,000,000 each year is to provide grants to local law enforcement agencies for portable recording systems. The executive director shall award grants to local law enforcement agencies for the purchase and maintenance of portable recording systems and portable recording system data. An applicant must provide a 50 percent match to be eligible to receive a grant. The executive director must give priority to applicants that do not have a portable recording system program. The executive director must award at least one grant to a law enforcement agency located outside of the seven-county metropolitan area.

As a condition of receiving a grant, a law enforcement agency's portable recording system policy required under Minnesota Statutes, section 626.8473, subdivision 3, must include the following provisions:

(1) prohibit altering, erasing, or destroying any recording made with a peace officer's portable recording system or data and metadata related to the recording prior to the expiration of the applicable retention period under Minnesota Statutes, section 13.825, subdivision 3, except that the full, unedited, and unredacted recording of a peace officer using deadly force must be maintained indefinitely;

(2) mandate that a deceased individual's next of kin, legal representative of the next of kin, or other parent of the deceased individual's children be entitled to view any and all recordings from a peace officer's portable recording system, redacted no more than what is required by law, of an officer's use of deadly force no later than 48 hours after an incident where deadly force used by a peace officer results in death of an individual, except that a chief law enforcement officer may deny a request if investigators can articulate a compelling reason as to why allowing the deceased individual's next of kin, legal representative of the next of kin, or other parent of the deceased individual's children to review the recordings would interfere with the agency conducting a thorough investigation. If the chief law enforcement officer denies a request under this provision, the agency's policy must require the chief law enforcement officer to issue a prompt, written denial and provide notice to the deceased individual's next of kin, legal representative of the next of kin, or other parent of the deceased individual's children that they may seek relief from the district court;

(3) mandate release of all recordings of an incident where a peace officer used deadly force and an individual dies to the deceased individual's next of kin, legal representative of the next of kin, and other parent of the deceased individual's children no later than 90 days after the incident; and

(4) mandate, whenever practicable, that an officer operating a portable recording system while entering a residence notify occupants of the residence that they are being recorded.

(i) **Office of Missing and Murdered Indigenous Relatives**

$500,000 each year is to establish and maintain an office dedicated to reviewing, preventing, and ending the targeting of Indigenous people, disappearance of Indigenous people, and deaths of Indigenous people that occur under suspicious circumstances through coordination with Tribal nations, executive branch agencies and commissions, community organizations, and impacted communities.

(j) **Opiate Epidemic Response Grants**

$500,000 each year is for grants to organizations selected by the Opiate Epidemic Response Advisory Council that provide services to address the opioid addiction and overdose epidemic in Minnesota consistent with the priorities in Minnesota Statutes, section 256.042, subdivision 1, paragraph (a), clauses (1) to (4). Grant recipients must be located outside the seven-county metropolitan area and in areas with disproportionately high incidents of fentanyl overdoses.

(k) **Prosecutor and Law Enforcement Training**

$25,000 each year is appropriated to award an annual grant to the Minnesota County Attorneys Association for prosecutor and law enforcement training on increasing diversion alternatives and using evidence-based practices to increase public safety and decrease racial disparities. This is a onetime appropriation.

(l) **Study on Liability Insurance for Peace Officers**

$100,000 in the first year is for a grant to an organization with experience in studying issues related to community safety and criminal justice for a study on the effects of requiring peace officers to carry liability insurance.

(m) **Hometown Heroes Assistance Program**

$4,000,000 each year is appropriated from the general fund for grants to the Minnesota Firefighter Initiative to fund the hometown heroes assistance program established in Minnesota Statutes, section 299A.477. This amount shall be added to the agency's base.

(n) **Administration Costs**

Up to 2.5 percent of the grant funds appropriated in this subdivision may be used by the commissioner to administer the grant program.

Subd. 8. **Emergency Communication Networks**	67,897,000	67,888,000

This appropriation is from the state government special revenue fund for 911 emergency telecommunications services.

This appropriation includes funds for information technology project services and support subject to the provisions of Minnesota Statutes, section 16E.0466. Any ongoing information technology costs shall be incorporated into the service level agreement and shall be paid to the Office of MN.IT Services by the Department of Public Safety under the rates and mechanism specified in that agreement.

(a) **Public Safety Answering Points**

$27,328,000 the first year and $28,011,000 the second year shall be distributed as provided in Minnesota Statutes, section 403.113, subdivision 2. The base appropriation is $28,011,000 in fiscal year 2024 and $28,011,000 in fiscal year 2025.

(b) **Medical Resource Communication Centers**

$683,000 the first year is for grants to the Minnesota Emergency Medical Services Regulatory Board for the Metro East and Metro West Medical Resource Communication Centers that were in operation before January 1, 2000. This is a onetime appropriation.

(c) **ARMER State Backbone Operating Costs**

$9,675,000 each year is transferred to the commissioner of transportation for costs of maintaining and operating the statewide radio system backbone.

(d) **ARMER Improvements**

$1,000,000 each year is to the Statewide Emergency Communications Board for improvements to those elements of the statewide public safety radio and communication system that support mutual aid communications and emergency medical services or provide interim enhancement of public safety communication interoperability in those areas of the state where the statewide public safety radio and communication system is not yet implemented, and grants to local units of government to further the strategic goals set forth by the Statewide Emergency Communications Board strategic plan.

(e) **911 Telecommunicator Working Group**

$9,000 the first year is to convene, administer, and implement the telecommunicator working group.

Subd. 9. **Driver and Vehicle Services**	465,000	-0-

$465,000 the first year is from the driver services operating account in the special revenue fund for the ignition interlock program under Minnesota Statutes, section 171.306.

Sec. 4. **PEACE OFFICER STANDARDS AND TRAINING (POST) BOARD**

Subdivision 1. **Total Appropriation**	**$12,546,000**	**$12,546,000**

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

Subd. 2. **Peace Officer Training Reimbursements**

$2,949,000 each year is for reimbursements to local governments for peace officer training costs.

Subd. 3. **Peace Officer Training Assistance**

(a) **Philando Castile Memorial Training Fund**

$6,000,000 each year is to support and strengthen law enforcement training and implement best practices. This funding shall be named the "Philando Castile Memorial Training Fund." The base for this program shall be $6,000,000 in fiscal year 2024 and $0 in fiscal year 2025.

Each sponsor of a training course is required to include the following in the sponsor's application for approval submitted to the board: course goals and objectives; a course outline including at a minimum a timeline and teaching hours for all courses; instructor qualifications, including skills and concepts such as crisis intervention, de-escalation, and cultural competency that are relevant to the course provided; and a plan for learning assessments of the course and documenting the assessments to the board during review. Upon completion of each course, instructors must submit student evaluations of the instructor's teaching to the sponsor.

The board shall keep records of the applications of all approved and denied courses. All continuing education courses shall be reviewed after the first year. The board must set a timetable for recurring review after the first year. For each review, the sponsor must submit its learning assessments to the board to show that the course is teaching the learning outcomes that were approved by the board.

A list of licensees who successfully complete the course shall be maintained by the sponsor and transmitted to the board following the presentation of the course and the completed student evaluations of the instructors. Evaluations are available to chief law enforcement officers. The board shall establish a data retention schedule for the information collected in this section.

(b) **Grant Program for Public Safety Policy and Training Consultant Costs**

$500,000 each year is for grants to law enforcement agencies to provide reimbursement for the expense of retaining a board-approved public safety policy and training consultant. The base appropriation is $1,000,000 in fiscal year 2024 and $1,000,000 in fiscal year 2025.

Sec. 5. **PRIVATE DETECTIVE BOARD** **$282,000** **$288,000**

Sec. 6. **CORRECTIONS**

Subdivision 1. **Total Appropriation**	**$2,384,000**	**$634,883,000**	**$639,916,000**

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

Subd. 2. **Correctional Institutions**	2,384,000	463,796,000	469,470,000

(a) **Healthy Start Act**

$200,000 each year is to implement the healthy start act that shall create a release program for pregnant women and new mothers who are committed to the commissioner of corrections by providing alternatives to incarceration and improving parenting skills.

(b) **Prescription Medications**

$17,000 the first year and $20,000 the second year are to provide a one-month supply of any prescribed, nonnarcotic medications and a prescription for a 30-day supply of these medications that may be refilled twice to inmates at the time of their release.

(c) **Emergency COVID-19 Sick Leave**

$2,321,000 in fiscal year 2021 and $2,320,000 in fiscal year 2022 are for emergency COVID-19 sick leave.

(d) **Juvenile Review Board**

$50,000 in the second year is for implementation of the Juvenile Review Board.

(e) **Salary Increases; Fugitive Specialists**

$63,000 in fiscal year 2021 is for fugitive specialist salary increases. In each of fiscal years 2022 and 2023, $93,000 is appropriated for this purpose. This amount is in addition to the base appropriation for this purpose.

Subd. 3. **Community Services** 140,222,000 139,356,000

(a) **Oversight**

$992,000 the first year and $492,000 the second year are to expand and improve oversight of jails and other state and local correctional facilities, including the addition of four full-time corrections detention facilities inspectors and funds for county sheriffs who inspect municipal lockups.

(b) **Juvenile Justice**

$1,660,000 the first year and $660,000 the second year are to develop and implement a juvenile justice data repository and modernize the current juvenile management system including but not limited to technology and staffing costs. $285,000 is added to the base in each of fiscal years 2024 and 2025.

(c) **Community Corrections Act**

$1,220,000 each year is added to the Community Corrections Act subsidy, as described in Minnesota Statutes, section 401.14. This is a onetime increase for the biennium and requires the submission of a report to the legislature no later than December 15, 2021, with recommendations from a working group established to study supervision services and funding across the state and develop recommendations. The base for this appropriation increase is $0 in fiscal year 2024 and $0 in fiscal year 2025.

The commissioner of corrections shall convene a working group to study and report to the legislature on the attributes and requirements of an effective supervision system. The report shall describe how the state and counties can achieve an effective supervision system together, balancing local control with state support and collaboration. The report shall include: a proposal for sustainable funding of the state's community supervision delivery systems; a plan for the potential of future Tribal government supervision of probationers and supervised releasees; a definition of core or base-level supervision standards in accordance with the state's obligation to fund or provide supervision services which are geographically equitable and reflect the principles of modern correctional practice; a recommended funding model and the associated costs as compared to the state's current investment in those services; alternative funding and delivery models and the

alternative models' associated costs when compared with the state's current investment in those services; and mechanisms to ensure balanced application of increases in the cost of community supervision services.

The working group shall at a minimum include the following members: the commissioner of corrections or the commissioner's designee and four other representatives from the Department of Corrections, five directors of the Minnesota Association of Community Corrections Act Counties, five directors of the Minnesota Association of County Probation Offices, three county commissioner representatives from the Association of Minnesota Counties with one from each delivery system, three representatives of the Minnesota Indian Affairs Council Tribal government members, and two district court judge representatives designated by the State Court Administrator. The working group may include other members and the use of a third-party organization to provide process facilitation, statewide stakeholder engagement, data analysis, programming and supervision assessments, and technical assistance through implementation of the adopted report recommendations.

The report shall be submitted to the chairs and ranking minority members of the house of representatives Public Safety Committee and the senate Judiciary and Finance Committees no later than December 15, 2021.

(d) **County Probation Officer Reimbursement**

$101,000 each year is for county probation officers reimbursement, as described in Minnesota Statutes, section 244.19, subdivision 6. This is a onetime increase for the biennium and requires the submission of a report to the legislature no later than December 15, 2021, with recommendations from a working group established to study supervision services and funding across the state and develop recommendations. The base for this appropriations increase is $0 in fiscal year 2024 and $0 in fiscal year 2025.

(e) **Probation Supervision Services**

$1,170,000 each year is for probation supervision services provided by the Department of Corrections in Meeker, Mille Lacs, and Renville Counties as described in Minnesota Statutes, section 244.19, subdivision 1. The commissioner of corrections shall bill Meeker, Mille Lacs, and Renville Counties for the total cost of and expenses incurred for probation services on behalf of each county, as described in Minnesota Statutes, section 244.19, subdivision 5, and all reimbursements shall be deposited in the general fund.

(f) **Task Force on Aiding and Abetting Felony Murder**

$25,000 the first year is to implement the task force on aiding and abetting felony murder.

(g) **Alternatives to Incarceration**

$320,000 each year is for funding to Anoka County, Crow Wing County, and Wright County to facilitate access to community treatment options under the alternatives to incarceration program.

(h) **Task Force on Presentence Investigation Reports**

$15,000 the first year is to implement the task force on the contents and use of presentence investigation reports and imposition of conditions of probation.

(i) **Juvenile Justice Report**

$55,000 the first year and $9,000 the second year are for reporting on extended jurisdiction juveniles.

(j) **Postrelease Employment for Inmates Grant; Request for Proposals**

$300,000 the first year is for a grant to a nongovernmental organization to provide curriculum and corporate mentors to inmates and assist inmates in finding meaningful employment upon release from a correctional facility. By September 1, 2021, the commissioner of corrections must issue a request for proposals. By December 1, 2021, the commissioner shall award a $300,000 grant to the applicant that is best qualified to provide the programming described in this paragraph.

(k) **Homelessness Mitigation Plan**

$12,000 the first year is to develop and implement a homelessness mitigation plan for individuals released from prison.

(l) **Identifying Documents**

$23,000 the first year and $28,000 the second year are to assist inmates in obtaining a copy of their birth certificates and provide appropriate Department of Corrections identification cards to individuals released from prison.

Subd. 4. **Operations Support**	30,665,000	31,090,000

(a) **Technology**

$1,566,000 the first year and $1,621,000 the second year are to increase support for ongoing technology needs.

(b) **Correctional Facilities Security Audit Group**

$54,000 the first year and $81,000 the second year are for the correctional facilities security audit group to prepare security audit standards, conduct security audits, and prepare required reports.

(c) **Indeterminate Sentence Release Board**

$40,000 in each fiscal year is to establish the Indeterminate Sentence Release Board (ISRB) to review eligible cases and make decisions for persons serving indeterminate sentences under the authority of the commissioner of corrections. The ISRB shall consist of five members including four persons appointed by the governor from two recommendations of each of the majority and minority leaders of the house of representatives and the senate, and the commissioner of corrections who shall serve as chair.

Sec. 7. **OMBUDSPERSON FOR CORRECTIONS** **$659,000** **$663,000**

Sec. 8. **SUPREME COURT** **$545,000** **$545,000**

$545,000 each year is for temporary caseload increases resulting from changes to the laws governing expungement of criminal records.

Sec. 9. **PUBLIC DEFENSE** **$25,000** **$25,000**

$25,000 each year is for public defender training on increasing diversion alternatives and using evidence-based practices to increase public safety and decrease racial disparities. This is a onetime appropriation.

Sec. 10. **TRANSFERS.**

$5,265,000 in fiscal year 2022 is transferred from the MINNCOR fund to the general fund.

Sec. 11. **CANCELLATION; FISCAL YEAR 2021.**

$345,000 of the fiscal year 2021 general fund appropriation under Laws 2019, First Special Session chapter 5, article 1, section 12, subdivision 1, is canceled.

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

ARTICLE 3
DISASTER ASSISTANCE

Section 1. **APPROPRIATION; DISASTER ASSISTANCE CONTINGENCY ACCOUNT.**

$30,000,000 in fiscal year 2021 is appropriated from the general fund to the commissioner of public safety for deposit in the disaster assistance contingency account established under Minnesota Statutes, section 12.221, subdivision 6.

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

ARTICLE 4
ACCESS TO COURTS; DISTRIBUTION OF FEES; DEADLINES

Section 1. Minnesota Statutes 2020, section 2.722, subdivision 1, is amended to read:

Subdivision 1. **Description.** Effective July 1, 1959, the state is divided into ten judicial districts composed of the following named counties, respectively, in each of which districts judges shall be chosen as hereinafter specified:

1. Goodhue, Dakota, Carver, Le Sueur, McLeod, Scott, and Sibley; 36 judges; and four permanent chambers shall be maintained in Red Wing, Hastings, Shakopee, and Glencoe and one other shall be maintained at the place designated by the chief judge of the district;

2. Ramsey; 26 judges;

3. Wabasha, Winona, Houston, Rice, Olmsted, Dodge, Steele, Waseca, Freeborn, Mower, and Fillmore; 23 judges; and permanent chambers shall be maintained in Faribault, Albert Lea, Austin, Rochester, and Winona;

4. Hennepin; 60 judges;

5. Blue Earth, Watonwan, Lyon, Redwood, Brown, Nicollet, Lincoln, Cottonwood, Murray, Nobles, Pipestone, Rock, Faribault, Martin, and Jackson; ~~16~~ 17 judges; and permanent chambers shall be maintained in Marshall, Windom, Fairmont, New Ulm, and Mankato;

6. Carlton, St. Louis, Lake, and Cook; 15 judges;

7. Benton, Douglas, Mille Lacs, Morrison, Otter Tail, Stearns, Todd, Clay, Becker, and Wadena; 30 judges; and permanent chambers shall be maintained in Moorhead, Fergus Falls, Little Falls, and St. Cloud;

8. Chippewa, Kandiyohi, Lac qui Parle, Meeker, Renville, Swift, Yellow Medicine, Big Stone, Grant, Pope, Stevens, Traverse, and Wilkin; 11 judges; and permanent chambers shall be maintained in Morris, Montevideo, and Willmar;

9. Norman, Polk, Marshall, Kittson, Red Lake, Roseau, Mahnomen, Pennington, Aitkin, Itasca, Crow Wing, Hubbard, Beltrami, Lake of the Woods, Clearwater, Cass and Koochiching; 24 judges; and permanent chambers shall be maintained in Crookston, Thief River Falls, Bemidji, Brainerd, Grand Rapids, and International Falls; and

10. Anoka, Isanti, Wright, Sherburne, Kanabec, Pine, Chisago, and Washington; 45 judges; and permanent chambers shall be maintained in Anoka, Stillwater, and other places designated by the chief judge of the district.

Sec. 2. Minnesota Statutes 2020, section 260C.163, subdivision 3, is amended to read:

Subd. 3. **Appointment of counsel.** (a) The child, parent, guardian or custodian has the right to effective assistance of counsel in connection with a proceeding in juvenile court as provided in this subdivision.

(b) Except in proceedings where the sole basis for the petition is habitual truancy, if the child desires counsel but is unable to employ it, the court shall appoint counsel to represent the child who is ten years of age or older under section 611.14, clause (4), or other counsel at public expense.

(c) ~~Except in proceedings where the sole basis for the petition is habitual truancy, if the parent, guardian, or custodian desires counsel but is unable to employ it, the court shall appoint counsel to represent the parent, guardian, or custodian in any case in which it feels that such an appointment is appropriate if the person would be financially~~

~~unable to obtain counsel under the guidelines set forth in section 611.17.~~ In all juvenile protection proceedings where a child risks removal from the care of the child's parent, guardian, or custodian, including a child in need of protection or services petition, an action pursuing removal of a child from the child's home, a termination of parental rights petition, or a petition for any other permanency disposition under section 260C.515, if the parent, guardian, or custodian desires counsel and is eligible for counsel under section 611.17, the court shall appoint counsel to represent each parent, guardian, or custodian at the first hearing on the petition and at all stages of the proceedings. Court appointed counsel shall be at county expense as outlined in paragraph (h).

(d) In any proceeding where the subject of a petition for a child in need of protection or services is ten years of age or older, the responsible social services agency shall, within 14 days after filing the petition or at the emergency removal hearing under section 260C.178, subdivision 1, if the child is present, fully and effectively inform the child of the child's right to be represented by appointed counsel upon request and shall notify the court as to whether the child desired counsel. Information provided to the child shall include, at a minimum, the fact that counsel will be provided without charge to the child, that the child's communications with counsel are confidential, and that the child has the right to participate in all proceedings on a petition, including the opportunity to personally attend all hearings. The responsible social services agency shall also, within 14 days of the child's tenth birthday, fully and effectively inform the child of the child's right to be represented by counsel if the child reaches the age of ten years while the child is the subject of a petition for a child in need of protection or services or is a child under the guardianship of the commissioner.

(e) In any proceeding where the sole basis for the petition is habitual truancy, the child, parent, guardian, and custodian do not have the right to appointment of a public defender or other counsel at public expense. However, before any out-of-home placement, including foster care or inpatient treatment, can be ordered, the court must appoint a public defender or other counsel at public expense in accordance with this subdivision.

(f) Counsel for the child shall not also act as the child's guardian ad litem.

(g) In any proceeding where the subject of a petition for a child in need of protection or services is not represented by an attorney, the court shall determine the child's preferences regarding the proceedings, including informing the child of the right to appointed counsel and asking whether the child desires counsel, if the child is of suitable age to express a preference.

(h) Court-appointed counsel for the parent, guardian, or custodian under this subdivision is at county expense. If the county has contracted with counsel ~~meeting qualifications under paragraph (i)~~, the court shall appoint the counsel retained by the county, unless a conflict of interest exists. If a conflict exists, after consulting with the chief judge of the judicial district or the judge's designee, the county shall contract with competent counsel to provide the necessary representation. ~~The court may appoint only one counsel at public expense for the first court hearing to represent the interests of the parents, guardians, and custodians, unless, at any time during the proceedings upon petition of a party, the court determines and makes written findings on the record that extraordinary circumstances exist that require counsel to be appointed to represent a separate interest of other parents, guardians, or custodians subject to the jurisdiction of the juvenile court.~~

~~(i) Counsel retained by the county under paragraph (h) must meet the qualifications established by the Judicial Council in at least one of the following: (1) has a minimum of two years' experience handling child protection cases; (2) has training in handling child protection cases from a course or courses approved by the Judicial Council; or (3) is supervised by an attorney who meets the minimum qualifications under clause (1) or (2).~~

EFFECTIVE DATE. This section is effective July 1, 2022, except the amendment striking paragraph (i) is effective the day following final enactment.

Sec. 3. Minnesota Statutes 2020, section 357.021, subdivision 1a, is amended to read:

Subd. 1a. **Transmittal of fees to commissioner of management and budget.** (a) Every person, including the state of Minnesota and all bodies politic and corporate, who shall transact any business in the district court, shall pay to the court administrator of said court the sundry fees prescribed in subdivision 2. Except as provided in paragraph (d), the court administrator shall transmit the fees monthly to the commissioner of management and budget for deposit in the state treasury and credit to the general fund. $30 of each fee collected in a dissolution action under subdivision 2, clause (1), must be deposited by the commissioner of management and budget in the special revenue fund and is appropriated to the commissioner of employment and economic development for the Minnesota Family Resiliency Partnership under section 116L.96.

(b) In a county which has a screener-collector position, fees paid by a county pursuant to this subdivision shall be transmitted monthly to the county treasurer, who shall apply the fees first to reimburse the county for the amount of the salary paid for the screener-collector position. The balance of the fees collected shall then be forwarded to the commissioner of management and budget for deposit in the state treasury and credited to the general fund. In a county in a judicial district under section 480.181, subdivision 1, paragraph (b), which has a screener-collector position, the fees paid by a county shall be transmitted monthly to the commissioner of management and budget for deposit in the state treasury and credited to the general fund. A screener-collector position for purposes of this paragraph is an employee whose function is to increase the collection of fines and to review the incomes of potential clients of the public defender, in order to verify eligibility for that service.

(c) No fee is required under this section from the public authority or the party the public authority represents in an action for:

(1) child support enforcement or modification, medical assistance enforcement, or establishment of parentage in the district court, or in a proceeding under section 484.702;

(2) civil commitment under chapter 253B;

(3) the appointment of a public conservator or public guardian or any other action under chapters 252A and 525;

(4) wrongfully obtaining public assistance under section 256.98 or 256D.07, or recovery of overpayments of public assistance;

(5) court relief under chapters 260, 260A, 260B, and 260C;

(6) forfeiture of property under sections 169A.63 and 609.531 to 609.5317;

(7) recovery of amounts issued by political subdivisions or public institutions under sections 246.52, 252.27, 256.045, 256.25, 256.87, 256B.042, 256B.14, 256B.15, 256B.37, 260B.331, and 260C.331, or other sections referring to other forms of public assistance;

(8) restitution under section 611A.04; or

(9) actions seeking monetary relief in favor of the state pursuant to section 16D.14, subdivision 5.

(d) $20 from each fee collected for child support modifications under subdivision 2, clause (13), must be transmitted to the county treasurer for deposit in the county general fund and $35 from each fee shall be credited to the state general fund. The fees must be used by the county to pay for child support enforcement efforts by county attorneys.

(e) No fee is required under this section from any federally recognized Indian Tribe or its representative in an action for:

(1) child support enforcement or modification, medical assistance enforcement, or establishment of parentage in the district court or in a proceeding under section 484.702;

(2) civil commitment under chapter 253B;

(3) the appointment of a public conservator or public guardian or any other action under chapters 252A and 525; or

(4) court relief under chapters 260, 260A, 260B, 260C, and 260D.

Sec. 4. Minnesota Statutes 2020, section 477A.03, subdivision 2b, is amended to read:

Subd. 2b. **Counties.** (a) For aids payable in 2018 and 2019, the total aid payable under section 477A.0124, subdivision 3, is $103,795,000, of which $3,000,000 shall be allocated as required under Laws 2014, chapter 150, article 4, section 6. For aids payable in 2020, the total aid payable under section 477A.0124, subdivision 3, is $116,795,000, of which $3,000,000 shall be allocated as required under Laws 2014, chapter 150, article 4, section 6. For aids payable in 2021 through 2024, the total aid payable under section 477A.0124, subdivision 3, is $118,795,000, of which $3,000,000 shall be allocated as required under Laws 2014, chapter 150, article 4, section 6. For aids payable in 2025 and thereafter, the total aid payable under section 477A.0124, subdivision 3, is $115,795,000. ~~Each calendar year,~~ On or before the first installment date provided in section 477A.015, paragraph (a), $500,000 of this appropriation shall be ~~retained~~ transferred each year by the commissioner of revenue to ~~make reimbursements to the commissioner of management and budget~~ the Board of Public Defense for ~~payments made~~ the payment of service under section 611.27. ~~The reimbursements shall be to defray the additional costs associated with court-ordered counsel under section 611.27.~~ Any ~~retained~~ transferred amounts not ~~used for reimbursement~~ expended or encumbered in a fiscal year shall be certified by the Board of Public Defense to the commissioner of revenue on or before October 1 and shall be included in the next ~~distribution~~ certification of county need aid ~~that is certified to the county auditors for the purpose of property tax reduction for the next taxes payable year~~.

(b) For aids payable in 2018 and 2019, the total aid under section 477A.0124, subdivision 4, is $130,873,444. For aids payable in 2020, the total aid under section 477A.0124, subdivision 4, is $143,873,444. For aids payable in 2021 and thereafter, the total aid under section 477A.0124, subdivision 4, is $145,873,444. The commissioner of revenue shall transfer to the commissioner of management and budget $207,000 annually for the cost of preparation of local impact notes as required by section 3.987, and other local government activities. The commissioner of revenue shall transfer to the commissioner of education $7,000 annually for the cost of preparation of local impact notes for school districts as required by section 3.987. The commissioner of revenue shall deduct the amounts transferred under this paragraph from the appropriation under this paragraph. The amounts transferred are appropriated to the commissioner of management and budget and the commissioner of education respectively.

Sec. 5. Minnesota Statutes 2020, section 484.85, is amended to read:

484.85 DISPOSITION OF FINES, FEES, AND OTHER MONEY; ACCOUNTS; RAMSEY COUNTY DISTRICT COURT.

(a) In all cases prosecuted in Ramsey County District Court by an attorney for a municipality or subdivision of government within Ramsey County for violation of a statute; an ordinance; or a charter provision, rule, or regulation of a city; all fines, penalties, and forfeitures collected by the court administrator shall be deposited in the state treasury and distributed according to this paragraph. Except where a different disposition is provided by section 299D.03, subdivision 5, or other law, on or before the last day of each month, the court shall pay over all fines, penalties, and forfeitures collected by the court administrator during the previous month as follows:

~~(1) for offenses committed within the city of St. Paul,~~ two-thirds paid to the treasurer of the ~~city of St. Paul~~ municipality or subdivision of government within Ramsey County and one-third credited to the state general fund~~; and~~.

~~(2) for offenses committed within any other municipality or subdivision of government within Ramsey County, one half paid to the treasurer of the municipality or subdivision of government and one half credited to the state general fund.~~

All other fines, penalties, and forfeitures collected by the district court shall be distributed by the courts as provided by law.

(b) Fines, penalties, and forfeitures shall be distributed as provided in paragraph (a) when:

(1) a city contracts with the county attorney for prosecutorial services under section 484.87, subdivision 3; or

(2) the attorney general provides assistance to the city attorney under section 484.87, subdivision 5.

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

Sec. 6. Minnesota Statutes 2020, section 590.01, subdivision 4, is amended to read:

Subd. 4. **Time limit.** (a) No petition for postconviction relief may be filed more than two years after the later of:

(1) the entry of judgment of conviction or sentence if no direct appeal is filed; or

(2) an appellate court's disposition of petitioner's direct appeal.

(b) Notwithstanding paragraph (a), a court may hear a petition for postconviction relief if:

(1) the petitioner establishes that a physical disability or mental disease precluded a timely assertion of the claim;

(2) the petitioner alleges the existence of newly discovered evidence, including scientific evidence, that could not have been ascertained by the exercise of due diligence by the petitioner or petitioner's attorney within the two-year time period for filing a postconviction petition, and the evidence is not cumulative to evidence presented at trial, is not for impeachment purposes, and establishes by a clear and convincing standard that the petitioner is innocent of the offense or offenses for which the petitioner was convicted;

(3) the petitioner asserts a new interpretation of federal or state constitutional or statutory law by either the United States Supreme Court or a Minnesota appellate court and the petitioner establishes that this interpretation is retroactively applicable to the petitioner's case;

(4) the petition is brought pursuant to subdivision 3; ~~or~~

(5) the petitioner establishes to the satisfaction of the court that the petition is not frivolous and is in the interests of justice~~.~~; or

(6) the petitioner is either placed into immigration removal proceedings, or detained for the purpose of removal from the United States, or received notice to report for removal, as a result of a conviction that was obtained by relying on incorrect advice or absent advice from counsel on immigration consequences.

(c) Any petition invoking an exception provided in paragraph (b) must be filed within two years of the date the claim arises.

Sec. 7. Minnesota Statutes 2020, section 611.21, is amended to read:

611.21 SERVICES OTHER THAN COUNSEL.

(a) Counsel appointed by the court for an indigent defendant, or representing a defendant who, at the outset of the prosecution, has an annual income not greater than 125 percent of the poverty line established under United States Code, title 42, section 9902(2), may file an ex parte application requesting investigative, expert, interpreter, or other services necessary to an adequate defense in the case. Upon finding, after appropriate inquiry in an ex parte proceeding, that the services are necessary and that the defendant is financially unable to obtain them, the court shall authorize counsel to obtain the services on behalf of the defendant. The court may establish a limit on the amount which may be expended or promised for such services. The court may, in the interests of justice, and upon a finding that timely procurement of necessary services could not await prior authorization, ratify such services after they have been obtained, but such ratification shall be given only in unusual situations. The court shall determine reasonable compensation for the services and direct payment by the county in which the prosecution originated, to the organization or person who rendered them, upon the filing of a claim for compensation supported by an affidavit specifying the time expended, services rendered, and expenses incurred on behalf of the defendant, and the compensation received in the same case or for the same services from any other source.

(b) The compensation to be paid to a person for such service rendered to a defendant under this section, or to be paid to an organization for such services rendered by an employee, may not exceed $1,000, exclusive of reimbursement for expenses reasonably incurred, unless payment in excess of that limit is certified by the court as necessary to provide fair compensation for services of an unusual character or duration and the amount of the excess payment is approved by the chief judge of the district. The chief judge of the judicial district may delegate approval authority to an active district judge.

(c) If the court denies authorizing counsel to obtain services on behalf of the defendant, the court shall make written findings of fact and conclusions of law that state the basis for determining that counsel may not obtain services on behalf of the defendant. When the court issues an order denying counsel the authority to obtain services, the defendant may appeal immediately from that order to the court of appeals and may request an expedited hearing.

Sec. 8. Minnesota Statutes 2020, section 611.27, subdivision 9, is amended to read:

Subd. 9. **Request for other appointment of counsel.** The chief district public defender ~~with the approval of~~ may request that the state public defender ~~may request that the chief judge of the district court, or a district court judge designated by the chief judge,~~ authorize appointment of counsel other than the district public defender in such cases.

Sec. 9. Minnesota Statutes 2020, section 611.27, subdivision 10, is amended to read:

Subd. 10. **Addition of permanent staff.** The chief public defender may not request ~~the court~~ nor may the ~~court order~~ state public defender approve the addition of permanent staff under subdivision 7.

Sec. 10. Minnesota Statutes 2020, section 611.27, subdivision 11, is amended to read:

Subd. 11. **Appointment of counsel.** If the ~~court~~ state public defender finds that the provision of adequate legal representation, including associated services, is beyond the ability of the district public defender to provide, the ~~court shall order~~ state public defender may approve counsel to be appointed, with compensation and expenses to be paid under the provisions of this subdivision and subdivision 7. Counsel in such cases shall be appointed by the chief district public defender. ~~If the court issues an order denying the request, the court shall make written findings of fact and conclusions of law. Upon denial, the chief district public defender may immediately appeal the order denying the request to the court of appeals and may request an expedited hearing.~~

Sec. 11. Minnesota Statutes 2020, section 611.27, subdivision 13, is amended to read:

Subd. 13. **Correctional facility inmates.** All billings for services rendered and ordered under subdivision 7 shall require the approval of the chief district public defender before being forwarded ~~on a monthly basis~~ to the state public defender. In cases where adequate representation cannot be provided by the district public defender and where counsel has been ~~appointed under a court order~~ approved by the state public defender, the ~~state public defender~~ Board of Public Defense shall ~~forward to the commissioner of management and budget~~ pay all ~~billings for~~ services ~~rendered under the court order. The commissioner shall pay for services~~ from county program aid ~~retained~~ transferred by the commissioner of revenue for that purpose under section 477A.03, subdivision 2b, paragraph (a).

The costs of appointed counsel and associated services in cases arising from new criminal charges brought against indigent inmates who are incarcerated in a Minnesota state correctional facility are the responsibility of the state Board of Public Defense. In such cases the state public defender may follow the procedures outlined in this section for obtaining court-ordered counsel.

Sec. 12. Minnesota Statutes 2020, section 611.27, subdivision 15, is amended to read:

Subd. 15. **Costs of transcripts.** In appeal cases and postconviction cases where the appellate public defender's office does not have sufficient funds to pay for transcripts and other necessary expenses because it has spent or committed all of the transcript funds in its annual budget, the ~~state public defender may forward to the commissioner of management and budget all billings for transcripts and other necessary expenses. The commissioner shall~~ Board of Public Defense may pay for these transcripts and other necessary expenses from county program aid ~~retained~~ transferred by the commissioner of revenue for that purpose under section 477A.03, subdivision 2b, paragraph (a).

ARTICLE 5
VICTIMS; CRIMINAL DEFENDANTS

Section 1. Minnesota Statutes 2020, section 5B.02, is amended to read:

5B.02 DEFINITIONS.

(a) For purposes of this chapter and unless the context clearly requires otherwise, the definitions in this section have the meanings given them.

(b) "Address" means an individual's work address, school address, or residential street address, as specified on the individual's application to be a program participant under this chapter.

(c) "Applicant" means an adult, a parent or guardian acting on behalf of an eligible minor, or a guardian acting on behalf of an incapacitated person, as defined in section 524.5-102.

(d) "Domestic violence" means an act as defined in section 518B.01, subdivision 2, paragraph (a), and includes a threat of such acts committed against an individual in a domestic situation, regardless of whether these acts or threats have been reported to law enforcement officers.

(e) "Eligible person" means an adult, a minor, or an incapacitated person, as defined in section 524.5-102 for whom there is good reason to believe (1) that the eligible person is a victim of domestic violence, sexual assault, or harassment or stalking, or (2) that the eligible person fears for the person's safety, the safety of another person who resides in the same household, or the safety of persons on whose behalf the application is made. An individual must reside in Minnesota in order to be an eligible person. A person registered or required to register as a predatory offender under section 243.166 or 243.167, or the law of another jurisdiction, is not an eligible person.

(f) "Mail" means first class letters and flats delivered via the United States Postal Service, including priority, express, and certified mail, and excluding ~~packages, parcels,~~ (1) periodicals~~,~~ and catalogues, and (2) packages and parcels unless they are clearly identifiable as nonrefrigerated pharmaceuticals or clearly indicate that they are sent by the federal government or a state or county government agency of the continental United States, Hawaii, District of Columbia, or United States territories.

(g) "Program participant" means an individual certified as a program participant under section 5B.03.

(h) "Harassment" or "stalking" means acts criminalized under section 609.749 and includes a threat of such acts committed against an individual, regardless of whether these acts or threats have been reported to law enforcement officers.

Sec. 2. Minnesota Statutes 2020, section 5B.05, is amended to read:

5B.05 USE OF DESIGNATED ADDRESS.

(a) When a program participant presents the address designated by the secretary of state to any person or entity, that address must be accepted as the address of the program participant. The person may not require the program participant to submit any address that could be used to physically locate the participant either as a substitute or in addition to the designated address, or as a condition of receiving a service or benefit, unless the service or benefit would be impossible to provide without knowledge of the program participant's physical location. Notwithstanding a person's or entity's knowledge of a program participant's physical location, the person or entity must use the program participant's designated address for all mail correspondence with the program participant.

(b) A program participant may use the address designated by the secretary of state as the program participant's work address.

(c) The Office of the Secretary of State shall forward all mail sent to the designated address to the proper program participants.

(d) If a program participant has notified a person in writing, on a form prescribed by the program, that the individual is a program participant and of the requirements of this section, the person must not knowingly disclose the program participant's name, home address, work address, or school address, unless the person to whom the address is disclosed also lives, works, or goes to school at the address disclosed, or the participant has provided written consent to disclosure of the participant's name, home address, work address, or school address for the purpose for which the disclosure will be made. This paragraph applies to the actions and reports of guardians ad litem, except that guardians ad litem may disclose the program participant's name. This paragraph does not apply to records of the judicial branch governed by rules adopted by the supreme court or government entities governed by section 13.045.

Sec. 3. Minnesota Statutes 2020, section 5B.10, subdivision 1, is amended to read:

Subdivision 1. **Display by landlord.** If a program participant has notified the program participant's landlord in writing that the individual is a program participant and of the requirements of this section, a local ordinance ~~or the landlord~~ must not require the display of, and the landlord shall not display, the program participant's name at an address otherwise protected under this chapter.

Sec. 4. Minnesota Statutes 2020, section 169.99, subdivision 1c, is amended to read:

Subd. 1c. **Notice of surcharge.** All parts of the uniform traffic ticket must ~~give~~ provide conspicuous notice ~~of the fact~~ that, if convicted, the person to whom it was issued ~~must~~ may be required to pay a state-imposed surcharge under section 357.021, subdivision 6, and the current amount of the required surcharge.

EFFECTIVE DATE. This section is effective August 1, 2022. The changes to the uniform traffic ticket described in this section must be reflected on the ticket the next time it is revised.

Sec. 5. Minnesota Statutes 2020, section 169.99, is amended by adding a subdivision to read:

Subd. 1d. **Financial hardship.** The first paragraph on the reverse side of the summons on the uniform traffic ticket must include the following, or substantially similar, language: "All or part of the cost of this summons may be waived on a showing of indigency or undue hardship on you or your family. You may schedule a court appearance to request a waiver based on your ability to pay by calling the Minnesota Court Payment Center (CPC) [followed by the Court Payment Center telephone number]. For more information, call the CPC or visit www.mncourts.gov/fines."

EFFECTIVE DATE. This section is effective August 1, 2022. The changes to the uniform traffic ticket described in this section must be reflected on the ticket the next time it is revised.

Sec. 6. Minnesota Statutes 2020, section 357.021, subdivision 6, is amended to read:

Subd. 6. **Surcharges on criminal and traffic offenders.** (a) Except as provided in this ~~paragraph~~ subdivision, the court shall impose and the court administrator shall collect a $75 surcharge on every person convicted of any felony, gross misdemeanor, misdemeanor, or petty misdemeanor offense, other than a violation of a law or ordinance relating to vehicle parking, for which there shall be a $12 surcharge. When a defendant is convicted of more than one offense in a case, the surcharge shall be imposed only once in that case. In the Second Judicial District, the court shall impose, and the court administrator shall collect, an additional $1 surcharge on every person convicted of any felony, gross misdemeanor, misdemeanor, or petty misdemeanor offense, including a violation of a law or ordinance relating to vehicle parking, if the Ramsey County Board of Commissioners authorizes the $1 surcharge. The surcharge shall be imposed whether or not the person is sentenced to imprisonment or the sentence is stayed. The surcharge shall not be imposed when a person is convicted of a petty misdemeanor for which no fine is imposed.

~~(b) If the court fails to impose a surcharge as required by this subdivision, the court administrator shall show the imposition of the surcharge, collect the surcharge, and correct the record.~~

~~(c)~~ (b) The court may ~~not~~ reduce the amount or waive payment of the surcharge required under this subdivision~~.~~ ~~Upon~~ on a showing of indigency or undue hardship upon the convicted person or the convicted person's immediate family~~, the sentencing court may authorize payment of the surcharge in installments~~. Additionally, the court may permit the defendant to perform community work service in lieu of a surcharge.

~~(d)~~ (c) The court administrator or other entity collecting a surcharge shall forward it to the commissioner of management and budget.

~~(e)~~ (d) If the convicted person is sentenced to imprisonment and has not paid the surcharge before the term of imprisonment begins, the chief executive officer of the correctional facility in which the convicted person is incarcerated shall collect the surcharge from any earnings the inmate accrues from work performed in the facility or while on conditional release. The chief executive officer shall forward the amount collected to the court administrator or other entity collecting the surcharge imposed by the court.

~~(f)~~ (e) A person who enters a diversion program, continuance without prosecution, continuance for dismissal, or stay of adjudication for a violation of chapter 169 must pay the surcharge described in this subdivision. A surcharge imposed under this paragraph shall be imposed only once per case.

~~(g)~~ (f) The surcharge does not apply to administrative citations issued pursuant to section 169.999.

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

Sec. 7. Minnesota Statutes 2020, section 609.101, subdivision 5, is amended to read:

Subd. 5. **Waiver prohibited; reduction and installment payments.** (a) The court may not waive payment of the minimum fine required by this section.

(b) If the defendant qualifies for the services of a public defender or the court finds on the record that the convicted person is indigent or that immediate payment of the fine would create undue hardship for the convicted person or that person's immediate family, the court may reduce the amount of the minimum fine to not less than $50. Additionally, the court may permit the defendant to perform community work service in lieu of a fine.

(c) The court also may authorize payment of the fine in installments.

(d) Before sentencing a person convicted of a felony, gross misdemeanor, misdemeanor, or petty misdemeanor to pay money for a fine, fee, or surcharge, the court shall make a finding on the record as to indigency or the convicted person's ability to comply with an order to pay without undue hardship for the convicted person or that person's immediate family. In determining indigency or whether the defendant is able to comply with an order to pay a fine, fee, or surcharge without undue hardship to the convicted person or that person's immediate family, the court shall consider:

(1) income;

(2) dependents;

(3) financial resources, including assets and liabilities;

(4) basic living expenses;

(5) receipt of means-tested public assistance program; and

(6) any special circumstances that may bear on the person's ability to pay.

(e) Paragraph (d) shall not apply when a conviction for a violation that is included on the uniform fine schedule authorized under section 609.101, subdivision 4, is entered without a hearing before the court.

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

Sec. 8. **[611A.95] CERTIFICATIONS FOR VICTIMS OF CRIMES.**

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

(1) "certifying entity" means a state or local law enforcement agency;

(2) "criminal activity" means qualifying criminal activity pursuant to section 101(a)(15)(U)(iii) of the Immigration and Nationality Act, and includes the attempt, conspiracy, or solicitation to commit such crimes; and

(3) "certification" means any certification or statement required by federal immigration law including, but not limited to, the information required by United States Code, title 8, section 1184(p), and United States Code, title 8, section 1184(o), including current United States Citizenship and Immigration Services Form I-918, Supplement B, and United States Citizenship and Immigration Services Form I-914, Supplement B, and any successor forms.

Subd. 2. **Certification process.** (a) A certifying entity shall process a certification requested by a victim of criminal activity or a representative of the victim, including but not limited to the victim's attorney, family member, or domestic violence or sexual assault violence advocate, within the time period prescribed in paragraph (b).

(b) A certifying entity shall process the certification within 90 days of request, unless the victim is in removal proceedings, in which case the certification shall be processed within 14 days of request. Requests for expedited certification must be affirmatively raised at the time of the request.

(c) An active investigation, the filing of charges, or a prosecution or conviction are not required for the victim of criminal activity to request and obtain the certification.

Subd. 3. **Certifying entity; designate agent.** (a) The head of a certifying entity shall designate an agent to perform the following responsibilities:

(1) timely process requests for certification;

(2) provide outreach to victims of criminal activity to inform them of the entity's certification process; and

(3) keep a written or electronic record of all certification requests and responses.

(b) All certifying entities shall implement a language access protocol for non-English-speaking victims of criminal activity.

Subd. 4. **Disclosure prohibited; data classification.** (a) A certifying entity is prohibited from disclosing the immigration status of a victim of criminal activity or representative requesting the certification, except to comply with federal law or legal process, or if authorized by the victim of criminal activity or representative requesting the certification.

(b) Data provided to a certifying entity under this section is classified as private data pursuant to section 13.02, subdivision 12.

EFFECTIVE DATE. Subdivisions 1, 2, and 4 are effective the day following final enactment. Subdivision 3 is effective July 1, 2021.

Sec. 9. **[634.045] JAILHOUSE WITNESSES.**

Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the meanings given.

(b) "Benefit" means any plea bargain, bail consideration, reduction or modification of sentence, or any other leniency, immunity, financial payment, reward, or amelioration of current or future conditions of incarceration offered or provided in connection with, or in exchange for, testimony that is offered or provided by a jailhouse witness.

(c) "Jailhouse witness" means a person who (1) while incarcerated, claims to have obtained information from a defendant in a criminal case or a person suspected to be the perpetrator of an offense, and (2) offers or provides testimony concerning statements made by that defendant or person suspected to be the perpetrator of an offense. It does not mean a codefendant or confidential informant who does not provide testimony against a suspect or defendant.

Subd. 2. **Use of and benefits provided to jailhouse witnesses; data collection.** (a) Each county attorney shall report to the attorney general, in a form determined by the attorney general:

(1) the name of the jailhouse witness and the district court file number of the case in which that witness testified or planned to testify;

(2) the substance and use of any testimony of a jailhouse witness against the interest of a suspect or defendant, regardless of whether such testimony is presented at trial; and

(3) the jailhouse witness's agreement to cooperate with the prosecution and any benefit that the prosecutor has offered or may offer in the future to the jailhouse witness in connection with the testimony.

(b) The attorney general shall maintain a statewide database containing the information received pursuant to paragraph (a) for 20 years from the date that the jailhouse witness information was entered into that statewide record.

(c) Data collected and maintained pursuant to this subdivision are classified as confidential data on individuals, as defined in section 13.02, subdivision 3. Only the attorney general may access the statewide record but shall provide all information held on specific jailhouse witnesses to a county attorney upon request.

Subd. 3. **Report on jailhouse witnesses.** By September 15 of each year, beginning in 2022, the attorney general shall publish on its website an annual report of the statewide record of jailhouse witnesses required under subdivision 2. Information in the report must be limited to summary data, as defined in section 13.02, subdivision 19, and must include:

(1) the total number of jailhouse witnesses tracked in the statewide record; and

(2) for each county, the number of new reports added pursuant to subdivision 2, paragraph (a), over the previous fiscal year.

Subd. 4. **Disclosure of information regarding jailhouse witness.** (a) In addition to the requirements for disclosures under rule 9 of the Rules of Criminal Procedure, and within the timeframes established by that rule, a prosecutor must disclose the following information to the defense about any jailhouse witness:

(1) the complete criminal history of the jailhouse witness, including any charges that are pending or were reduced or dismissed as part of a plea bargain;

(2) any cooperation agreement with the jailhouse witness and any deal, promise, inducement, or benefit that the state has made or intends to make in the future to the jailhouse witness;

(3) whether, at any time, the jailhouse witness recanted any testimony or statement implicating the suspect or defendant in the charged crime and, if so, the time and place of the recantation, the nature of the recantation, and the names of the persons who were present at the recantation;

(4) whether, at any time, the jailhouse witness made a statement implicating any other person in the charged crime and, if so, the time and place of the statement, the nature of the statement, and the names of the persons who were present at the statement; and

(5) information concerning other criminal cases in which the jailhouse witness has testified, or offered to testify, against a suspect or defendant with whom the jailhouse witness was imprisoned or confined, including any cooperation agreement, deal, promise, inducement, or benefit that the state has made or intends to make in the future to the jailhouse witness.

(b) A prosecutor has a continuing duty of disclosure before and during trial. If, after the omnibus hearing held pursuant to rule 11 of the Rules of Criminal Procedure, a prosecutor discovers additional material, information, or witnesses subject to disclosure under this subdivision, the prosecutor must promptly notify the court and defense counsel, or, if the defendant is not represented, the defendant, of what was discovered. If the court finds that the jailhouse witness was not known or that materials in paragraph (a) could not be discovered or obtained by the state within that period with the exercise of due diligence, the court may order that disclosure take place within a reasonable period. Upon good cause shown, the court may continue the proceedings.

(c) If the prosecutor files a written certificate with the trial court that disclosing the information described in paragraph (a) would subject the jailhouse witness or other persons to physical harm or coercion, the court may order that the information must be disclosed to the defendant's counsel but may limit disclosure to the defendant in a way that does not unduly interfere with the defendant's right to prepare and present a defense, including limiting disclosure to nonidentifying information.

Subd. 5. **Victim notification.** (a) A prosecutor shall make every reasonable effort to notify a victim if the prosecutor has decided to offer or provide any of the following to a jailhouse witness in exchange for, or as the result of, a jailhouse witness offering or providing testimony against a suspect or defendant:

(1) reduction or dismissal of charges;

(2) a plea bargain;

(3) support for a modification of the amount or conditions of bail; or

(4) support for a motion to reduce or modify a sentence.

(b) Efforts to notify the victim should include, in order of priority: (1) contacting the victim or a person designated by the victim by telephone; and (2) contacting the victim by mail. If a jailhouse witness is still in custody, the notification attempt shall be made before the jailhouse witness is released from custody.

(c) Whenever a prosecutor notifies a victim of domestic assault, criminal sexual conduct, or harassment or stalking under this section, the prosecutor shall also inform the victim of the method and benefits of seeking an order for protection under section 518B.01 or a restraining order under section 609.748 and that the victim may seek an order without paying a fee.

(d) The notification required under this subdivision is in addition to the notification requirements and rights described in sections 611A.03, 611A.0315, 611A.039, and 611A.06.

EFFECTIVE DATE. This section is effective August 1, 2021.

ARTICLE 6
HUMAN RIGHTS LAW

Section 1. Minnesota Statutes 2020, section 13.552, is amended by adding a subdivision to read:

Subd. 8. **Certificate of compliance for public contracts.** Access to data relating to certificates of compliance for public contracts is governed by section 363A.36.

Sec. 2. **[62A.082] NONDISCRIMINATION IN ACCESS TO TRANSPLANTS.**

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

(b) "Disability" has the meaning given in section 363A.03, subdivision 12.

(c) "Enrollee" means a natural person covered by a health plan or group health plan and includes an insured, policy holder, subscriber, covered person, member, contract holder, or certificate holder.

(d) "Organ transplant" means the transplantation or transfusion of a part of a human body into the body of another for the purpose of treating or curing a medical condition.

Subd. 2. **Transplant discrimination prohibited.** A health plan or group health plan that provides coverage for anatomical gifts, organ transplants, or related treatment and services shall not:

(1) deny coverage to an enrollee based on the enrollee's disability;

(2) deny eligibility, or continued eligibility, to enroll or to renew coverage under the terms of the health plan or group health plan solely for the purpose of avoiding the requirements of this section;

(3) penalize or otherwise reduce or limit the reimbursement of a health care provider, or provide monetary or nonmonetary incentives to a health care provider, to induce the provider to provide care to a patient in a manner inconsistent with this section; or

(4) reduce or limit an enrollee's coverage benefits because of the enrollee's disability for medical services and other services related to organ transplantation performed pursuant to this section as determined in consultation with the enrollee's treating health care provider and the enrollee.

Subd. 3. **Collective bargaining.** In the case of a group health plan maintained pursuant to one or more collective bargaining agreements between employee representatives and one or more employers, any plan amendment made pursuant to a collective bargaining agreement relating to the plan which amends the plan solely to conform to any requirement imposed pursuant to this section shall not be treated as a termination of the collective bargaining agreement.

Subd. 4. **Coverage limitation.** Nothing in this section shall be deemed to require a health plan or group health plan to provide coverage for a medically inappropriate organ transplant.

Sec. 3. Minnesota Statutes 2020, section 363A.02, subdivision 1, is amended to read:

Subdivision 1. **Freedom from discrimination.** (a) It is the public policy of this state to secure for persons in this state, freedom from discrimination:

(1) in employment because of race, color, creed, religion, national origin, sex, marital status, disability, status with regard to public assistance, sexual orientation, familial status, and age;

(2) in housing and real property because of race, color, creed, religion, national origin, sex, marital status, disability, status with regard to public assistance, sexual orientation, and familial status;

(3) in public accommodations because of race, color, creed, religion, national origin, sex, sexual orientation, and disability;

(4) in public services because of race, color, creed, religion, national origin, sex, marital status, disability, sexual orientation, and status with regard to public assistance; and

(5) in education because of race, color, creed, religion, national origin, sex, marital status, disability, status with regard to public assistance, sexual orientation, and age.

(b) Such discrimination threatens the rights and privileges of the inhabitants of this state and menaces the institutions and foundations of democracy. It is also the public policy of this state to protect all persons from wholly unfounded charges of discrimination. Nothing in this chapter shall be interpreted as restricting the implementation of positive action programs to combat discrimination.

Sec. 4. Minnesota Statutes 2020, section 363A.06, subdivision 1, is amended to read:

Subdivision 1. **Formulation of policies.** (a) The commissioner shall formulate policies to effectuate the purposes of this chapter and shall do the following:

(1) exercise leadership under the direction of the governor in the development of human rights policies and programs, and make recommendations to the governor and the legislature for their consideration and implementation;

(2) establish and maintain a principal office in St. Paul, and any other necessary branch offices at any location within the state;

(3) meet and function at any place within the state;

(4) employ attorneys, clerks, and other employees and agents as the commissioner may deem necessary and prescribe their duties;

(5) to the extent permitted by federal law and regulation, utilize the records of the Department of Employment and Economic Development of the state when necessary to effectuate the purposes of this chapter;

(6) obtain upon request and utilize the services of all state governmental departments and agencies;

(7) adopt suitable rules for effectuating the purposes of this chapter;

(8) issue complaints, receive and investigate charges alleging unfair discriminatory practices, and determine whether or not probable cause exists for hearing;

(9) subpoena witnesses, administer oaths, take testimony, and require the production for examination of any books or papers relative to any matter under investigation or in question as the commissioner deems appropriate to carry out the purposes of this chapter;

(10) attempt, by means of education, conference, conciliation, and persuasion to eliminate unfair discriminatory practices as being contrary to the public policy of the state;

(11) develop and conduct programs of formal and informal education designed to eliminate discrimination and intergroup conflict by use of educational techniques and programs the commissioner deems necessary;

(12) make a written report of the activities of the commissioner to the governor each year;

(13) accept gifts, bequests, grants, or other payments public and private to help finance the activities of the department;

(14) create such local and statewide advisory committees as will in the commissioner's judgment aid in effectuating the purposes of the Department of Human Rights;

(15) develop such programs as will aid in determining the compliance throughout the state with the provisions of this chapter, and in the furtherance of such duties, conduct research and study discriminatory practices based upon race, color, creed, religion, national origin, sex, age, disability, marital status, status with regard to public assistance, familial status, sexual orientation, or other factors and develop accurate data on the nature and extent of discrimination and other matters as they may affect housing, employment, public accommodations, schools, and other areas of public life;

(16) develop and disseminate technical assistance to persons subject to the provisions of this chapter, and to agencies and officers of governmental and private agencies;

(17) provide staff services to such advisory committees as may be created in aid of the functions of the Department of Human Rights;

(18) make grants in aid to the extent that appropriations are made available for that purpose in aid of carrying out duties and responsibilities; ~~and~~

(19) cooperate and consult with the commissioner of labor and industry regarding the investigation of violations of, and resolution of complaints regarding section 363A.08, subdivision 7~~.~~;

(20) collaborate and consult with the Board of Peace Officer Standards and Training regarding the training of peace officers in identifying, responding to, and reporting crimes motivated by bias pursuant to sections 626.8451, subdivision 1, and 626.8469, including but not limited to the duty of peace officers to report crimes motivated by bias under section 626.5531; and

(21) solicit, receive, and compile reports from community organizations, school districts and charter schools, and individuals regarding crimes a community member or community organization believes are motivated by the victim's or another's actual or perceived race, color, ethnicity, religion, sex, gender, sexual orientation, gender identity, gender expression, age, national origin, marital status, status with regard to public assistance, familial status, or disability as defined in section 363A.03, or because of the victim's actual or perceived association with another person or group of a certain actual or perceived race, color, ethnicity, religion, sex, gender, sexual orientation, gender identity, gender expression, age, national origin, or disability as defined in section 363A.03, and develop data on the nature and extent of crimes motivated by bias and include this information in the report required under clause (12). The commissioner shall provide information on the department's website about when and how a victim reports criminal conduct to a law enforcement agency.

In performing these duties, the commissioner shall give priority to those duties in clauses (8), (9), and (10) and to the duties in section 363A.36.

(b) All gifts, bequests, grants, or other payments, public and private, accepted under paragraph (a), clause (13), must be deposited in the state treasury and credited to a special account. Money in the account is appropriated to the commissioner of human rights to help finance activities of the department.

Sec. 5. Minnesota Statutes 2020, section 363A.08, subdivision 6, is amended to read:

Subd. 6. **Reasonable accommodation.** (a) Except when based on a bona fide occupational qualification, it is an unfair employment practice for an employer with a number of part-time or full-time employees for each working day in each of 20 or more calendar weeks in the current or preceding calendar year equal to or greater than 25 effective July 1, 1992, and equal to or greater than 15 effective July 1, 1994, an employment agency, or a labor organization, not to ~~make~~ provide a reasonable accommodation ~~to the known disability of a qualified disabled person or job applicant~~ for a job applicant or qualified employee with a disability unless the employer, agency, or organization can demonstrate that the accommodation would impose an undue hardship on the business, agency, or

organization. "Reasonable accommodation" means steps which must be taken to accommodate the known physical or mental limitations of a qualified ~~disabled person~~ individual with a disability. To determine the appropriate reasonable accommodation the employer, agency, or organization shall initiate an informal, interactive process with the individual with a disability in need of the accommodation. This process should identify the limitations resulting from the disability and any potential reasonable accommodations that could overcome those limitations. "Reasonable accommodation" may include but is not limited to, nor does it necessarily require: (1) making facilities readily accessible to and usable by ~~disabled persons~~ individuals with disabilities; and (2) job restructuring, modified work schedules, reassignment to a vacant position, acquisition or modification of equipment or devices, and the provision of aides on a temporary or periodic basis.

(b) In determining whether an accommodation would impose an undue hardship on the operation of a business or organization, factors to be considered include:

(1) the overall size of the business or organization with respect to number of employees or members and the number and type of facilities;

(2) the type of the operation, including the composition and structure of the work force, and the number of employees at the location where the employment would occur;

(3) the nature and cost of the needed accommodation;

(4) the reasonable ability to finance the accommodation at each site of business; and

(5) documented good faith efforts to explore less restrictive or less expensive alternatives, including consultation with the disabled person or with knowledgeable disabled persons or organizations.

A prospective employer need not pay for an accommodation for a job applicant if it is available from an alternative source without cost to the employer or applicant.

Sec. 6. Minnesota Statutes 2020, section 363A.08, is amended by adding a subdivision to read:

Subd. 8. **Inquiries into pay history prohibited.** (a) "Pay history" as used in this subdivision means any prior or current wage, salary, earnings, benefits, or any other compensation about an applicant for employment.

(b) An employer, employment agency, or labor organization shall not inquire into, consider, or require disclosure from any source the pay history of an applicant for employment for the purpose of determining wages, salary, earnings, benefits, or other compensation for that applicant. There is a rebuttable presumption that use of pay history received on an applicant for employment to determine the future wages, salary, earnings, benefits, or other compensation for that applicant is an unfair discriminatory employment practice under subdivisions 1 to 3. The general prohibition against inquiring into the pay history of an applicant does not apply if the job applicant's pay history is a matter of public record under federal or state law, unless the employer, employment agency, or labor organization sought access to those public records with the intent of obtaining pay history of the applicant for the purpose of determining wages, salary, earnings, benefits, or other compensation for that applicant.

(c) Nothing in this subdivision shall prevent an applicant for employment from voluntarily and without prompting disclosing pay history for the purposes of negotiating wages, salary, benefits, or other compensation. If an applicant for employment voluntarily and without prompting discloses pay history to a prospective employer, employment agency, or labor organization, nothing in this subdivision shall prohibit that employer, employment agency, or labor organization from considering or acting on that voluntarily disclosed salary history information to support a wage or salary higher than initially offered by the employer, employment agency, or labor organization.

(d) Nothing in this subdivision limits, prohibits, or prevents a person from bringing a charge, grievance, or any other cause of action alleging wage discrimination because of race, color, creed, religion, national origin, sex, gender identity, marital status, status with regard to public assistance, familial status, membership or activity in a local commission, disability, sexual orientation, or age, as otherwise provided in this chapter.

(e) Nothing in this subdivision shall be construed to prevent an employer from:

(1) providing information about the wages, benefits, compensation, or salary offered in relation to a position; or

(2) inquiring about or otherwise engaging in discussions with an applicant about the applicant's expectations or requests with respect to wages, salary, benefits, or other compensation.

EFFECTIVE DATE. This section is effective January 1, 2022. For employment covered by collective bargaining agreements, this section is not effective until the date of implementation of the applicable collective bargaining agreement that is after January 1, 2022.

Sec. 7. Minnesota Statutes 2020, section 363A.09, subdivision 1, is amended to read:

Subdivision 1. **Real property interest; action by owner, lessee, and others.** It is an unfair discriminatory practice for an owner, lessee, sublessee, assignee, or managing agent of, or other person having the right to sell, rent or lease any real property, or any agent of any of these:

(1) to refuse to sell, rent, or lease or otherwise deny to or withhold from any person or group of persons any real property because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, participation in or requirements of a public assistance program, disability, sexual orientation, or familial status; or

(2) to discriminate against any person or group of persons because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, participation in or requirements of a public assistance program, disability, sexual orientation, or familial status in the terms, conditions or privileges of the sale, rental or lease of any real property or in the furnishing of facilities or services in connection therewith, except that nothing in this clause shall be construed to prohibit the adoption of reasonable rules intended to protect the safety of minors in their use of the real property or any facilities or services furnished in connection therewith; or

(3) in any transaction involving real property, to print, circulate or post or cause to be printed, circulated, or posted any advertisement or sign, or use any form of application for the purchase, rental or lease of real property, or make any record or inquiry in connection with the prospective purchase, rental, or lease of real property which expresses, directly or indirectly, any limitation, specification, or discrimination as to race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, participation in or requirements of a public assistance program, disability, sexual orientation, or familial status, or any intent to make any such limitation, specification, or discrimination except that nothing in this clause shall be construed to prohibit the advertisement of a dwelling unit as available to adults-only if the person placing the advertisement reasonably believes that the provisions of this section prohibiting discrimination because of familial status do not apply to the dwelling unit.

Sec. 8. Minnesota Statutes 2020, section 363A.09, subdivision 2, is amended to read:

Subd. 2. **Real property interest; action by brokers, agents, and others.** (a) It is an unfair discriminatory practice for a real estate broker, real estate salesperson, or employee, or agent thereof:

(1) to refuse to sell, rent, or lease or to offer for sale, rental, or lease any real property to any person or group of persons or to negotiate for the sale, rental, or lease of any real property to any person or group of persons because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, participation in

or requirements of a public assistance program, disability, sexual orientation, or familial status or represent that real property is not available for inspection, sale, rental, or lease when in fact it is so available, or otherwise deny or withhold any real property or any facilities of real property to or from any person or group of persons because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, participation in or requirements of a public assistance program, disability, sexual orientation, or familial status; or

(2) to discriminate against any person because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, participation in or requirements of a public assistance program, disability, sexual orientation, or familial status in the terms, conditions or privileges of the sale, rental or lease of real property or in the furnishing of facilities or services in connection therewith; or

(3) to print, circulate, or post or cause to be printed, circulated, or posted any advertisement or sign, or use any form of application for the purchase, rental, or lease of any real property or make any record or inquiry in connection with the prospective purchase, rental or lease of any real property, which expresses directly or indirectly, any limitation, specification or discrimination as to race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, participation in or requirements of a public assistance program, disability, sexual orientation, or familial status or any intent to make any such limitation, specification, or discrimination except that nothing in this clause shall be construed to prohibit the advertisement of a dwelling unit as available to adults-only if the person placing the advertisement reasonably believes that the provisions of this section prohibiting discrimination because of familial status do not apply to the dwelling unit.

(b) It is an unfair discriminatory practice for a landlord to furnish credit, services, or rental accommodations that discriminate against any individual who is a recipient of federal, state, or local public assistance, including medical assistance, or who is a tenant receiving federal, state, or local housing subsidies, including rental assistance or rental supplements, because the individual is such a recipient, or because of any requirement of such public assistance, rental assistance, or housing subsidy program.

Sec. 9. Minnesota Statutes 2020, section 363A.09, is amended by adding a subdivision to read:

Subd. 2a. **Definition; public assistance program.** For the purposes of this section, "public assistance program" means federal, state, or local assistance, including but not limited to rental assistance, rent supplements, and housing choice vouchers.

Sec. 10. Minnesota Statutes 2020, section 363A.28, subdivision 1, is amended to read:

Subdivision 1. **Actions.** Any person aggrieved by a violation of this chapter may bring a civil action as provided in section 363A.33, subdivision 1, or may file a verified charge with the commissioner or the commissioner's designated agent. A charge filed with the commissioner must be in writing by hand, or electronically with an unsworn declaration under penalty of perjury, on a form provided by the commissioner and signed by the charging party. The charge must state the name of the person alleged to have committed an unfair discriminatory practice and set out a summary of the details of the practice complained of. The commissioner may require a charging party to provide the address of the person alleged to have committed the unfair discriminatory practice, names of witnesses, documents, and any other information necessary to process the charge. The commissioner may dismiss a charge when the charging party fails to provide required information. The commissioner within ten days of the filing shall serve a copy of the charge and a form for use in responding to the charge upon the respondent personally, electronically with the receiving party's consent, or by mail. The respondent shall file with the department a written response setting out a summary of the details of the respondent's position relative to the charge within ~~20~~ 30 days of receipt of the charge. If the respondent fails to respond with a written summary of the details of the respondent's position within 30 days after service of the charge, and service was consistent with rule 4 of the Rules of Civil Procedure, the commissioner, on behalf of the complaining party, may bring an action for default in district court pursuant to rule 55.01 of the Rules of Civil Procedure.

Sec. 11. Minnesota Statutes 2020, section 363A.28, subdivision 6, is amended to read:

Subd. 6. **Charge processing.** (a) Consistent with paragraph (h), the commissioner shall promptly inquire into the truth of the allegations of the charge. The commissioner shall make an immediate inquiry when a charge alleges actual or threatened physical violence. The commissioner shall also make an ~~immediate~~ inquiry when it appears that a charge is frivolous or without merit and shall dismiss those charges.

(b) The commissioner shall give priority to investigating and processing those charges, in the order below, which the commissioner determines have the following characteristics:

(1) there is evidence of irreparable harm if immediate action is not taken;

(2) there is evidence that the respondent has intentionally engaged in a reprisal;

(3) a significant number of recent charges have been filed against the respondent;

(4) the respondent is a government entity;

(5) there is potential for broadly promoting the policies of this chapter; or

(6) the charge is supported by substantial and credible documentation, witnesses, or other evidence.

The commissioner shall inform charging parties of these priorities and shall tell each party if their charge is a priority case or not.

On other charges the commissioner shall make a determination within 12 months after the charge was filed as to whether or not there is probable cause to credit the allegation of unfair discriminatory practices.

(c) If the commissioner determines after investigation that no probable cause exists to credit the allegations of the unfair discriminatory practice, the commissioner shall, within ten days of the determination, serve upon the charging party and respondent written notice of the determination. Within ~~ten~~ 30 days after receipt of notice, the charging party may request in writing, on forms prepared by the department, that the commissioner reconsider the determination. The request shall contain a brief statement of the reasons for and new evidence in support of the request for reconsideration. At the time of submission of the request to the commissioner, the charging party shall deliver or mail to the respondent a copy of the request for reconsideration. The commissioner shall reaffirm, reverse, or vacate and remand for further consideration the determination of no probable cause within 20 days after receipt of the request for reconsideration, and shall within ten days notify in writing the charging party and respondent of the decision to reaffirm, reverse, or vacate and remand for further consideration.

A decision by the commissioner that no probable cause exists to credit the allegations of an unfair discriminatory practice shall not be appealed to the court of appeals pursuant to section ~~363A.36~~ 363A.34 or sections 14.63 to 14.68.

(d) If the commissioner determines after investigation that probable cause exists to credit the allegations of unfair discriminatory practices, the commissioner shall serve on the respondent and the respondent's attorney if the respondent is represented by counsel, by first class mail, or electronically with the receiving party's consent, a notice setting forth a short plain written statement of the alleged facts which support the finding of probable cause and an enumeration of the provisions of law allegedly violated. Within 30 days after receipt of notice, the respondent may request in writing, on forms prepared by the department, that the commissioner reconsider the determination. If the commissioner determines that attempts to eliminate the alleged unfair practices through conciliation pursuant to subdivision 8 have been or would be unsuccessful or unproductive, the commissioner ~~shall~~ may issue a complaint and serve on the respondent, by registered or certified mail, or electronically with the receiving party's consent, a

written notice of hearing together with a copy of the complaint, requiring the respondent to answer the allegations of the complaint at a hearing before an administrative law judge at a time and place specified in the notice, not less than ten days after service of said complaint. A copy of the notice shall be furnished to the charging party and the attorney general.

(e) If, at any time after the filing of a charge, the commissioner has reason to believe that a respondent has engaged in any unfair discriminatory practice, the commissioner may file a petition in the district court in a county in which the subject of the complaint occurs, or in a county in which a respondent resides or transacts business, seeking appropriate temporary relief against the respondent, pending final determination of proceedings under this chapter, including an order or decree restraining the respondent from doing or procuring an act tending to render ineffectual an order the commissioner may enter with respect to the complaint. The court shall have power to grant temporary relief or a restraining order as it deems just and proper, but no relief or order extending beyond ten days shall be granted except by consent of the respondent or after hearing upon notice to the respondent and a finding by the court that there is reasonable cause to believe that the respondent has engaged in a discriminatory practice. Except as modified by subdivisions 1 to 9 and section 363A.06, subdivision 4, the Minnesota Rules of Civil Procedure shall apply to an application, and the district court shall have authority to grant or deny the relief sought on conditions as it deems just and equitable. All hearings under subdivisions 1 to 9 and section 363A.06, subdivision 4, shall be given precedence as nearly as practicable over all other pending civil actions.

(f) If a lessor, after engaging in a discriminatory practice defined in section 363A.09, subdivision 1, clause (1), leases or rents a dwelling unit to a person who has no knowledge of the practice or of the existence of a charge with respect to the practice, the lessor shall be liable for actual damages sustained by a person by reason of a final order as provided in subdivisions 1 to 9 and section 363A.06, subdivision 4, requiring the person to be evicted from the dwelling unit.

(g) In any complaint issued under subdivisions 1 to 9 and section 363A.06, subdivision 4, the commissioner may seek relief for a class of individuals affected by an unfair discriminatory practice occurring on or after a date one year prior to the filing of the charge from which the complaint originates.

(h) The commissioner may adopt policies to determine which charges are processed and the order in which charges are processed based on their particular social or legal significance, administrative convenience, difficulty of resolution, or other standard consistent with the provisions of this chapter.

(i) The chief administrative law judge shall adopt policies to provide sanctions for intentional and frivolous delay caused by any charging party or respondent in an investigation, hearing, or any other aspect of proceedings before the department under this chapter.

Sec. 12. Minnesota Statutes 2020, section 363A.31, subdivision 2, is amended to read:

Subd. 2. **Rescission of waiver.** A waiver or release of rights or remedies secured by this chapter which purports to apply to claims arising out of acts or practices prior to, or concurrent with, the execution of the waiver or release may be rescinded within 15 calendar days of its execution, except that a waiver or release given in settlement of a claim filed with the department or with another administrative agency or judicial body is valid and final upon execution. A waiving or releasing party shall be informed in writing of the right to rescind the waiver or release. To be effective, the rescission must be in writing and delivered to the waived or released party ~~either~~ by hand, electronically with the receiving party's consent, or by mail within the 15-day period. If delivered by mail, the rescission must be:

(1) postmarked within the 15-day period;

(2) properly addressed to the waived or released party; and

(3) sent by certified mail return receipt requested.

Sec. 13. Minnesota Statutes 2020, section 363A.33, subdivision 3, is amended to read:

Subd. 3. **Summons and complaints in a civil action.** A charging party bringing a civil action shall mail by registered or certified mail, or electronically with the receiving party's consent, a copy of the summons and complaint to the commissioner, and upon their receipt the commissioner shall terminate all proceedings in the department relating to the charge. No charge shall be filed or reinstituted with the commissioner after a civil action relating to the same unfair discriminatory practice has been brought unless the civil action has been dismissed without prejudice.

Sec. 14. Minnesota Statutes 2020, section 363A.36, subdivision 1, is amended to read:

Subdivision 1. **Scope of application.** (a) ~~For all contracts for goods and services in excess of $100,000, no department or agency of the state shall accept any bid or proposal for a contract or agreement from any business having more than 40 full-time employees within this state on a single working day during the previous 12 months, unless the commissioner is in receipt of the business' affirmative action plan for the employment of minority persons, women, and qualified disabled individuals. No department or agency of the state shall execute any such contract or agreement until the affirmative action plan has been approved by the commissioner. Receipt of a certificate of compliance issued by the commissioner shall signify that a firm or business has an affirmative action plan that has been approved by the commissioner. A certificate shall be valid for a period of four years.~~ No department, agency of the state, the Metropolitan Council, or agency subject to section 473.143, subdivision 1, shall execute a contract for goods or services in excess of $100,000 with a business that has 40 or more full-time employees in this state or a state where the business has its primary place of business on a single day during the prior 12 months, unless the business has a workforce certificate from the commissioner of human rights or has certified in writing that it is exempt. Determinations of exempt status shall be made by the commissioner of human rights. A certificate is valid for four years. A municipality as defined in section 466.01, subdivision 1, that receives state money for any reason is encouraged to prepare and implement an affirmative action plan for the employment of ~~minority persons,~~ people with disabilities, people of color, and women, and ~~the qualified disabled and~~ to submit the plan to the commissioner.

~~(b) This paragraph applies to a contract for goods or services in excess of $100,000 to be entered into between a department or agency of the state and a business that is not subject to paragraph (a), but that has more than 40 full-time employees on a single working day during the previous 12 months in the state where the business has its primary place of business. A department or agency of the state may not execute a contract or agreement with a business covered by this paragraph unless the business has a certificate of compliance issued by the commissioner under paragraph (a) or the business certifies that it is in compliance with federal affirmative action requirements.~~

~~(c)~~ (b) This section does not apply to contracts entered into by the State Board of Investment for investment options under section 356.645.

~~(d)~~ (c) The commissioner shall issue a certificate of compliance or notice of denial within 15 days of the application submitted by the business or firm.

EFFECTIVE DATE. This section is effective June 1, 2021, and applies to contracts entered into on or after that date.

Sec. 15. Minnesota Statutes 2020, section 363A.36, subdivision 2, is amended to read:

Subd. 2. **Filing fee; account; appropriation.** The commissioner shall collect a ~~$150~~ $250 fee for each certificate of compliance issued by the commissioner or the commissioner's designated agent. The proceeds of the fee must be deposited in a human rights fee special revenue account. Money in the account is appropriated to the commissioner to fund the cost of issuing certificates and investigating grievances.

Sec. 16. Minnesota Statutes 2020, section 363A.36, subdivision 3, is amended to read:

Subd. 3. ~~**Revocation of certificate**~~ **Violations; remedies.** Certificates of compliance may be suspended or revoked by the commissioner if a holder of a certificate has not made a good faith effort to implement an affirmative action plan that has been approved by the commissioner. If a contractor does not effectively implement an affirmative action plan approved by the commissioner pursuant to subdivision 1, or fails to make a good faith effort to do so, the commissioner may refuse to approve subsequent plans submitted by that firm or business. The commissioner may impose fines or actions as follows:

(1) issue fines up to $5,000 per violation; and

(2) suspend or revoke a certificate of compliance until the contractor has paid all outstanding fines and otherwise complies with this section.

EFFECTIVE DATE. This section is effective July 1, 2021, for all current and future certificate holders.

Sec. 17. Minnesota Statutes 2020, section 363A.36, subdivision 4, is amended to read:

Subd. 4. **Revocation of contract.** A contract awarded by a department or agency of the state, the Metropolitan Council, or an agency subject to section 473.143, subdivision 1, may be terminated or abridged by the ~~department or agency~~ awarding entity because of suspension or revocation of a certificate based upon a contractor's failure to implement or make a good faith effort to implement an affirmative action plan approved by the commissioner under this section. If a contract is awarded to a person who does not have a contract compliance certificate required under subdivision 1, the commissioner may void the contract on behalf of the state.

EFFECTIVE DATE. This section is effective June 1, 2021, and applies to contracts entered into on or after that date.

Sec. 18. Minnesota Statutes 2020, section 363A.36, is amended by adding a subdivision to read:

Subd. 6. **Access to data.** Data submitted to the commissioner related to a certificate of compliance are private data on individuals or nonpublic data with respect to persons other than department employees. The commissioner's decision to issue, not issue, revoke, or suspend or otherwise penalize a certificate holder of a certificate of compliance is public data. Applications, forms, or similar documents submitted by a business seeking a certificate of compliance are public data. The commissioner may disclose data classified as private or nonpublic under this subdivision to other state agencies, statewide systems, and political subdivisions for the purposes of achieving compliance with this section.

Sec. 19. Minnesota Statutes 2020, section 363A.44, subdivision 2, is amended to read:

Subd. 2. **Application.** (a) A business shall apply for an equal pay certificate by paying a ~~$150~~ $250 filing fee and submitting an equal pay compliance statement to the commissioner. The proceeds from the fees collected under this subdivision shall be deposited in an equal pay certificate special revenue account. Money in the account is appropriated to the commissioner for the purposes of this section. The commissioner shall issue an equal pay certificate of compliance to a business that submits to the commissioner a statement signed by the chairperson of the board or chief executive officer of the business:

(1) that the business is in compliance with Title VII of the Civil Rights Act of 1964, Equal Pay Act of 1963, Minnesota Human Rights Act, and Minnesota Equal Pay for Equal Work Law;

(2) that the average compensation for its female employees is not consistently below the average compensation for its male employees within each of the major job categories in the EEO-1 employee information report for which an employee is expected to perform work under the contract, taking into account factors such as length of service, requirements of specific jobs, experience, skill, effort, responsibility, working conditions of the job, or other mitigating factors;

(3) that the business does not restrict employees of one sex to certain job classifications and makes retention and promotion decisions without regard to sex;

(4) that wage and benefit disparities are corrected when identified to ensure compliance with the laws cited in clause (1) and with clause (2); and

(5) how often wages and benefits are evaluated to ensure compliance with the laws cited in clause (1) and with clause (2).

(b) The equal pay compliance statement shall also indicate whether the business, in setting compensation and benefits, utilizes:

(1) a market pricing approach;

(2) state prevailing wage or union contract requirements;

(3) a performance pay system;

(4) an internal analysis; or

(5) an alternative approach to determine what level of wages and benefits to pay its employees. If the business uses an alternative approach, the business must provide a description of its approach.

(c) Receipt of the equal pay compliance statement by the commissioner does not establish compliance with the laws set forth in paragraph (a), clause (1).

Sec. 20. Minnesota Statutes 2020, section 363A.44, subdivision 4, is amended to read:

Subd. 4. ~~**Revocation of certificate**~~ **Violations; remedies.** An equal pay certificate for a business may be suspended or revoked by the commissioner when the business fails to make a good-faith effort to comply with the laws identified in subdivision 2, paragraph (a), clause (1), fails to make a good-faith effort to comply with this section, or has multiple violations of this section or the laws identified in subdivision 2, paragraph (a), clause (1). The commissioner may also issue a fine due to lack of compliance with this section of up to $5,000 per violation. The commissioner may suspend or revoke an equal pay certificate until the business has paid all outstanding fines and otherwise complies with this section. Prior to issuing a fine or suspending or revoking a certificate, the commissioner must first have sought to conciliate with the business regarding wages and benefits due to employees.

EFFECTIVE DATE. This section is effective July 1, 2021, for all current and future certificate holders.

Sec. 21. Minnesota Statutes 2020, section 363A.44, subdivision 9, is amended to read:

Subd. 9. **Access to data.** Data submitted to the commissioner related to equal pay certificates are private data on individuals or nonpublic data with respect to persons other than department employees. The commissioner's decision to issue, not issue, revoke, or suspend or otherwise penalize a certificate holder of an equal pay certificate is public data. Applications, forms, or similar documents submitted by a business seeking an equal pay certificate are public data. The commissioner may disclose data classified as private or nonpublic under this subdivision to other state agencies, statewide systems, and political subdivisions for the purposes of achieving compliance with this section.

Sec. 22. **[363A.50] NONDISCRIMINATION IN ACCESS TO TRANSPLANTS.**

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

(b) "Anatomical gift" has the meaning given in section 525A.02, subdivision 4.

(c) "Auxiliary aids and services" include, but are not limited to:

(1) qualified interpreters or other effective methods of making aurally delivered materials available to individuals with hearing impairments;

(2) qualified readers, taped texts, texts in accessible electronic format, or other effective methods of making visually delivered materials available to individuals with visual impairments;

(3) the provision of information in a format that is accessible for individuals with cognitive, neurological, developmental, intellectual, or physical disabilities;

(4) the provision of supported decision-making services; and

(5) the acquisition or modification of equipment or devices.

(d) "Covered entity" means:

(1) any licensed provider of health care services, including licensed health care practitioners, hospitals, nursing facilities, laboratories, intermediate care facilities, psychiatric residential treatment facilities, institutions for individuals with intellectual or developmental disabilities, and prison health centers; or

(2) any entity responsible for matching anatomical gift donors to potential recipients.

(e) "Disability" has the meaning given in section 363A.03, subdivision 12.

(f) "Organ transplant" means the transplantation or infusion of a part of a human body into the body of another for the purpose of treating or curing a medical condition.

(g) "Qualified individual" means an individual who, with or without available support networks, the provision of auxiliary aids and services, or reasonable modifications to policies or practices, meets the essential eligibility requirements for the receipt of an anatomical gift.

(h) "Reasonable modifications" include, but are not limited to:

(1) communication with individuals responsible for supporting an individual with postsurgical and post-transplantation care, including medication; and

(2) consideration of support networks available to the individual, including family, friends, and home and community-based services, including home and community-based services funded through Medicaid, Medicare, another health plan in which the individual is enrolled, or any program or source of funding available to the individual, in determining whether the individual is able to comply with post-transplant medical requirements.

(i) "Supported decision making" has the meaning given in section 524.5-102, subdivision 16a.

Subd. 2. **Prohibition of discrimination.** (a) A covered entity may not, on the basis of a qualified individual's mental or physical disability:

(1) deem an individual ineligible to receive an anatomical gift or organ transplant;

(2) deny medical or related organ transplantation services, including evaluation, surgery, counseling, and postoperative treatment and care;

(3) refuse to refer the individual to a transplant center or other related specialist for the purpose of evaluation or receipt of an anatomical gift or organ transplant;

(4) refuse to place an individual on an organ transplant waiting list or place the individual at a lower-priority position on the list than the position at which the individual would have been placed if not for the individual's disability; or

(5) decline insurance coverage for any procedure associated with the receipt of the anatomical gift or organ transplant, including post-transplantation and postinfusion care.

(b) Notwithstanding paragraph (a), a covered entity may take an individual's disability into account when making treatment or coverage recommendations or decisions, solely to the extent that the physical or mental disability has been found by a physician, following an individualized evaluation of the potential recipient, to be medically significant to the provision of the anatomical gift or organ transplant. The provisions of this section may not be deemed to require referrals or recommendations for, or the performance of, organ transplants that are not medically appropriate given the individual's overall health condition.

(c) If an individual has the necessary support system to assist the individual in complying with post-transplant medical requirements, an individual's inability to independently comply with those requirements may not be deemed to be medically significant for the purposes of paragraph (b).

(d) A covered entity must make reasonable modifications to policies, practices, or procedures, when such modifications are necessary to make services such as transplantation-related counseling, information, coverage, or treatment available to qualified individuals with disabilities, unless the entity can demonstrate that making such modifications would fundamentally alter the nature of such services.

(e) A covered entity must take such steps as may be necessary to ensure that no qualified individual with a disability is denied services such as transplantation-related counseling, information, coverage, or treatment because of the absence of auxiliary aids and services, unless the entity can demonstrate that taking such steps would fundamentally alter the nature of the services being offered or result in an undue burden. A covered entity is not required to provide supported decision-making services.

(f) A covered entity must otherwise comply with the requirements of Titles II and III of the Americans with Disabilities Act of 1990, the Americans with Disabilities Act Amendments Act of 2008, and the Minnesota Human Rights Act.

(g) The provisions of this section apply to each part of the organ transplant process.

Subd. 3. **Remedies.** In addition to all other remedies available under this chapter, any individual who has been subjected to discrimination in violation of this section may initiate a civil action in a court of competent jurisdiction to enjoin violations of this section.

ARTICLE 7
CIVIL LAW

Section 1. Minnesota Statutes 2020, section 357.17, is amended to read:

357.17 NOTARIES PUBLIC.

(a) The maximum fees to be charged and collected by a notary public shall be as follows:

(1) for protest of nonpayment of note or bill of exchange or of nonacceptance of such bill; where protest is legally necessary, and copy thereof, $5;

(2) for every other protest and copy, $5;

(3) for making and serving every notice of nonpayment of note or nonacceptance of bill and copy thereof, $5;

(4) for any affidavit or paper for which provision is not made herein, $5 per folio, and $1 per folio for copies;

(5) for each oath administered, $5;

(6) for acknowledgments of deeds and for other services authorized by law, the legal fees allowed other officers for like services;

(7) for recording each instrument required by law to be recorded by the notary, $5 per folio.

(b) A notary public may charge a fee for performing a marriage in excess of the fees in paragraph (a) if the notary is commissioned pursuant to chapter 359.

Sec. 2. Minnesota Statutes 2020, section 359.04, is amended to read:

359.04 POWERS.

Every notary public so appointed, commissioned, and qualified shall have power throughout this state to administer all oaths required or authorized to be administered in this state; to take and certify all depositions to be used in any of the courts of this state; to take and certify all acknowledgments of deeds, mortgages, liens, powers of attorney, and other instruments in writing or electronic records; to receive, make out, and record notarial protests; to perform civil marriages consistent with this chapter and chapter 517; and to perform online remote notarial acts in compliance with the requirements of sections 358.645 and 358.646.

Sec. 3. **[359.115] CIVIL MARRIAGE OFFICIANT.**

A notary public shall have the power to solemnize civil marriages throughout the state if the notary public has filed a copy of the notary public's notary commission with the local registrar of a county in this state. When a local registrar records a commission for a notary public, the local registrar shall provide a certificate of filing to the notary whose commission is recorded. A notary public shall endorse and record the county where the notary public's commission is recorded upon each certificate of civil marriage granted by the notary.

Sec. 4. Minnesota Statutes 2020, section 514.977, is amended to read:

514.977 ~~DEFAULT~~ ADDITIONAL REMEDIES.

Subdivision 1. **Default; breach of rental agreement.** If an occupant defaults in the payment of rent for the storage space or otherwise breaches the rental agreement, the owner may commence an ~~eviction~~ action ~~under chapter 504B.~~ to terminate the rental agreement, recover possession of the storage space, remove the occupant, and dispose of the stored personal property. The action shall be conducted in accordance with the Minnesota Rules of Civil Procedure except as provided in this section.

Subd. 2. **Service of summons.** The summons must be served at least seven days before the date of the court appearance as provided in subdivision 3.

Subd. 3. **Appearance.** Except as provided in subdivision 4, in an action filed under this section, the appearance shall be not less than seven or more than 14 days from the day of issuing the summons.

Subd. 4. **Expedited hearing.** If the owner files a motion and affidavit stating specific facts and instances in support of an allegation that the occupant is causing a nuisance or engaging in illegal or other behavior that seriously endangers the safety of others, their property, or the storage facility's property, the appearance shall be not less than three days nor more than seven days from the date the summons is issued. The summons in an expedited hearing shall be served upon the occupant within 24 hours of issuance unless the court orders otherwise for good cause shown.

Subd. 5. **Answer; trial; continuance.** At the court appearance specified in the summons, the defendant may answer the complaint, and the court shall hear and decide the action, unless it grants a continuance of the trial, which may be for no longer than six days, unless all parties consent to longer continuance.

Subd. 6. **Counterclaims.** The occupant is prohibited from bringing counterclaims in the action that are unrelated to the possession of the storage space. Nothing in this section prevents the occupant from bringing the claim in a separate action.

Subd. 7. **Judgment; writ.** Judgment in matters adjudicated under this section shall be in accordance with section 504B.345, subdivision 1, paragraph (a). Execution of a writ issued under this section shall be in accordance with section 504B.365.

Sec. 5. Minnesota Statutes 2020, section 517.04, is amended to read:

517.04 PERSONS AUTHORIZED TO PERFORM CIVIL MARRIAGES.

Civil marriages may be solemnized throughout the state by an individual who has attained the age of 21 years and is a judge of a court of record, a retired judge of a court of record, a court administrator, a retired court administrator with the approval of the chief judge of the judicial district, a former court commissioner who is employed by the court system or is acting pursuant to an order of the chief judge of the commissioner's judicial district, a notary commissioned pursuant to chapter 359, the residential school superintendent of the Minnesota State Academy for the Deaf and the Minnesota State Academy for the Blind, a licensed or ordained minister of any religious denomination, or by any mode recognized in section 517.18. For purposes of this section, a court of record includes the Office of Administrative Hearings under section 14.48.

Sec. 6. Minnesota Statutes 2020, section 517.08, subdivision 1b, is amended to read:

Subd. 1b. **Term of license; fee; premarital education.** (a) The local registrar shall examine upon oath the parties applying for a license relative to the legality of the contemplated civil marriage. Examination upon oath of the parties under this section may include contemporaneous video or audio transmission or receipt of a verified

statement signed by both parties attesting to the legality of the marriage. The local registrar may accept civil marriage license applications, signed by both parties, by mail, facsimile, or electronic filing. Both parties must present proof of age to the local registrar. ~~If one party is unable to appear in person, the party appearing may complete the absent applicant's information. The local registrar shall provide a copy of the civil marriage application to the party who is unable to appear, who must verify the accuracy of the appearing party's information in a notarized statement. The verification statement must be accompanied by a copy of proof of age of the party.~~ The civil marriage license must not be released until ~~the verification statement and~~ proof of age has been received by the local registrar. If the local registrar is satisfied that there is no legal impediment to it, including the restriction contained in section 259.13, the local registrar shall issue the license, containing the full names of the parties before and after the civil marriage, and county and state of residence, with the county seal attached, and make a record of the date of issuance. The license shall be valid for a period of six months. Except as provided in paragraph (b), the local registrar shall collect from the applicant a fee of $115 for administering the oath, issuing, recording, and filing all papers required, and preparing and transmitting to the state registrar of vital records the reports of civil marriage required by this section. If the license should not be used within the period of six months due to illness or other extenuating circumstances, it may be surrendered to the local registrar for cancellation, and in that case a new license shall issue upon request of the parties of the original license without fee. A local registrar who knowingly issues or signs a civil marriage license in any manner other than as provided in this section shall pay to the parties aggrieved an amount not to exceed $1,000.

(b) The civil marriage license fee for parties who have completed at least 12 hours of premarital education is $40. In order to qualify for the reduced license fee, the parties must submit at the time of applying for the civil marriage license a statement that is signed, dated, and notarized or marked with a church seal from the person who provided the premarital education on their letterhead confirming that it was received. The premarital education must be provided by a licensed or ordained minister or the minister's designee, a person authorized to solemnize civil marriages under section 517.18, or a person authorized to practice marriage and family therapy under section 148B.33. The education must include the use of a premarital inventory and the teaching of communication and conflict management skills.

(c) The statement from the person who provided the premarital education under paragraph (b) must be in the following form:

"I, ... (name of educator), confirm that ..... (names of both parties) received at least 12 hours of premarital education that included the use of a premarital inventory and the teaching of communication and conflict management skills. I am a licensed or ordained minister, a person authorized to solemnize civil marriages under Minnesota Statutes, section 517.18, or a person licensed to practice marriage and family therapy under Minnesota Statutes, section 148B.33."

The names of the parties in the educator's statement must be identical to the legal names of the parties as they appear in the civil marriage license application. Notwithstanding section 138.17, the educator's statement must be retained for seven years, after which time it may be destroyed.

(d) If section 259.13 applies to the request for a civil marriage license, the local registrar shall grant the civil marriage license without the requested name change. Alternatively, the local registrar may delay the granting of the civil marriage license until the party with the conviction:

(1) certifies under oath that 30 days have passed since service of the notice for a name change upon the prosecuting authority and, if applicable, the attorney general and no objection has been filed under section 259.13; or

(2) provides a certified copy of the court order granting it. The parties seeking the civil marriage license shall have the right to choose to have the license granted without the name change or to delay its granting pending further action on the name change request.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2021.

Sec. 7. Minnesota Statutes 2020, section 524.2-503, is amended to read:

524.2-503 HARMLESS ERROR.

(a) If a document or writing added upon a document was not executed in compliance with section 524.2-502, the document or writing is treated as if it had been executed in compliance with section 524.2-502 if the proponent of the document or writing establishes by clear and convincing evidence that the decedent intended the document or writing to constitute:

(1) the decedent's will;

(2) a partial or complete revocation of the will;

(3) an addition to or an alteration of the will; or

(4) a partial or complete revival of the decedent's formerly revoked will or of a formerly revoked portion of the will.

(b) This section applies to documents and writings executed on or after March 13, 2020~~, but before February 15, 2021~~.

EFFECTIVE DATE. This section is effective retroactively from March 13, 2020, and applies to documents and writings executed on or after March 13, 2020.

Sec. 8. Minnesota Statutes 2020, section 541.073, subdivision 2, is amended to read:

Subd. 2. **Limitations period.** (a) Except as provided in paragraph (b), an action for damages based on sexual abuse: (1) must be commenced within six years of the alleged sexual abuse in the case of alleged sexual abuse of an individual 18 years or older; (2) may be commenced at any time in the case of alleged sexual abuse of an individual under the age of 18, except as provided for in subdivision 4; and (3) must be commenced before the plaintiff is 24 years of age in a claim against a natural person alleged to have sexually abused a minor when that natural person was under 14 years of age.

(b) An action for damages based on sexual abuse may be commenced at any time in the case of alleged sexual abuse by a peace officer, as defined in section 626.84, subdivision 1, paragraph (c).

~~(b)~~ (c) The plaintiff need not establish which act in a continuous series of sexual abuse acts by the defendant caused the injury.

~~(c)~~ (d) This section does not affect the suspension of the statute of limitations during a period of disability under section 541.15.

EFFECTIVE DATE. (a) This section is effective the day following final enactment. Except as provided in paragraph (b), this section applies to actions that were not time-barred before the effective date.

(b) Notwithstanding any other provision of law, in the case of alleged sexual abuse of an individual by a peace officer, as defined in Minnesota Statutes, section 626.84, subdivision 1, paragraph (c), if the action would otherwise be time-barred under a previous version of Minnesota Statutes, section 541.073, or other time limit, an action for damages against a peace officer may be commenced no later than five years following the effective date of this section.

Sec. 9. Minnesota Statutes 2020, section 573.02, subdivision 1, is amended to read:

Subdivision 1. **Death action.** (a) When death is caused by the wrongful act or omission of any person or corporation, the trustee appointed as provided in subdivision 3 may maintain an action therefor if the decedent might have maintained an action, had the decedent lived, for an injury caused by the wrongful act or omission. An action to recover damages for a death caused by the alleged professional negligence of a physician, surgeon, dentist, hospital or sanitarium, or an employee of a physician, surgeon, dentist, hospital or sanitarium shall be commenced within three years of the date of death, but in no event shall be commenced beyond the time set forth in section 541.076. An action to recover damages for a death caused by an intentional act constituting murder may be commenced at any time after the death of the decedent. An action to recover damages for a death caused by a peace officer, as defined in section 626.84, subdivision 1, paragraph (c), may be commenced at any time after the death of the decedent. Any other action under this section may be commenced within three years after the date of death provided that the action must be commenced within six years after the act or omission. The recovery in the action is the amount the jury deems fair and just in reference to the pecuniary loss resulting from the death, and shall be for the exclusive benefit of the surviving spouse and next of kin, proportionate to the pecuniary loss severally suffered by the death. The court then determines the proportionate pecuniary loss of the persons entitled to the recovery and orders distribution accordingly. Funeral expenses and any demand for the support of the decedent allowed by the court having jurisdiction of the action, are first deducted and paid. Punitive damages may be awarded as provided in section 549.20.

(b) If an action for the injury was commenced by the decedent and not finally determined while living, it may be continued by the trustee for recovery of damages for the exclusive benefit of the surviving spouse and next of kin, proportionate to the pecuniary loss severally suffered by the death. The court on motion shall make an order allowing the continuance and directing pleadings to be made and issues framed as in actions begun under this section.

EFFECTIVE DATE. (a) This section is effective the day following final enactment. Except as provided in paragraph (b), this section applies to actions that were not time-barred before the effective date.

(b) Notwithstanding any other provision of law, in the case of a death caused by a peace officer, as defined in Minnesota Statutes, section 626.84, subdivision 1, paragraph (c), if the action would otherwise be time-barred under a previous version of Minnesota Statutes, section 573.02, or other time limit, an action for damages against a peace officer may be commenced no later than five years following the effective date of this section.

Sec. 10. Laws 2020, chapter 118, section 4, is amended to read:

Sec. 4. **FILING OF MORTGAGE OR DEED OF TRUST ~~THROUGH 2020; PUBLIC UTILITY~~.** Notwithstanding Minnesota Statutes, section 507.327, ~~for the public utility subject to Minnesota Statutes, section 116C.7791,~~ the filing of the mortgage or deed of trust executed between May 1, 2020, and ~~December 31, 2020~~ June 30, 2022, filed in the Office of the Secretary of State under Minnesota Statutes, section ~~336.02~~ 336B.02, along with, or as part of, the financing statement covering the fixtures, has the same effect, and is notice of the rights and interests of the mortgagee or trustee in easements, other less than fee simple interests in real estate, and fee simple interests in real estate ~~of the public utility~~ to the same extent, as if the mortgage or deed of trust were duly recorded in the office of the county recorder or duly registered in the office of the registrar of titles of the counties in which the real estate is situated. The effectiveness of the filing terminates at the same time as provided in Minnesota Statutes, section 336B.02, subdivision 3, for the termination of the effectiveness of fixture filing. Any filing made in accordance with this section shall also be made with the office of the county recorder, or duly registered in the office of the registrar of titles, of the counties in which the real estate is situated.

EFFECTIVE DATE. This section is effective retroactively from December 30, 2020.

ARTICLE 8
GOVERNMENT DATA PRACTICES

Section 1. **[3.8844] LEGISLATIVE COMMISSION ON DATA PRACTICES.**

Subdivision 1. **Established.** The Legislative Commission on Data Practices and Personal Data Privacy is created to study issues relating to government data practices and individuals' personal data privacy rights and to review legislation impacting data practices, data security, and personal data privacy. The commission is a continuation of the commission that was established by Laws 2014, chapter 193, as amended, and which expired June 30, 2019.

Subd. 2. **Membership.** The commission consists of four senators appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration, and four members of the house of representatives appointed by the speaker. Two members from each chamber must be from the majority party in that chamber and two members from each chamber must be from the minority party in that chamber. Each appointing authority must make appointments as soon as possible after the beginning of the regular legislative session in the odd-numbered year. The ranking senator from the majority party appointed to the commission must convene the first meeting of a biennium by February 15 in the odd-numbered year. The commission may elect up to four former legislators who have demonstrated an interest in, or have a history of working in, the areas of government data practices and personal data privacy to serve as nonvoting members of the commission. The former legislators must not be registered lobbyists. All commission members shall serve without compensation and without reimbursement for mileage, meals, or other expenses.

Subd. 3. **Terms; vacancies.** Members of the commission serve for terms beginning upon appointment and ending at the beginning of the regular legislative session in the next odd-numbered year. The appropriate appointing authority must fill a vacancy for a seat of a current legislator for the remainder of the unexpired term.

Subd. 4. **Officers.** The commission must elect a chair and may elect other officers as it determines are necessary. The chair alternates between a member of the senate and a member of the house of representatives in January of each odd-numbered year.

Subd. 5. **Staff.** Legislative staff must provide administrative and research assistance to the commission from existing resources. The Legislative Coordinating Commission may, if funding is available, appoint staff to provide research assistance.

Subd. 6. **Duties.** The commission shall:

(1) review and provide the legislature with research and analysis of emerging issues relating to government data practices and security and privacy of personal data;

(2) review and make recommendations on legislative proposals relating to the Minnesota Government Data Practices Act; and

(3) review and make recommendations on legislative proposals impacting personal data privacy rights, data security, and other related issues.

EFFECTIVE DATE. This section is effective the day following final enactment. Initial members of the commission serve for a term ending in January 2023. A member of the house of representatives shall serve as the first chair of the commission. A member of the senate shall serve as chair of the commission beginning in January 2023.

Sec. 2. Minnesota Statutes 2020, section 13.045, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** As used in this section:

(1) "program participant" has the meaning given in section 5B.02, paragraph (g);

(2) "location data" means ~~any~~ data the participant specifies that may be used to physically locate a program participant, ~~including but not limited to~~ such as the program participant's residential address, work address, ~~and~~ or school address, and that is collected, received, or maintained by a government entity prior to the date a program participant's certification expires, or the date the entity receives notice that the program participant has withdrawn from the program, whichever is earlier;

(3) "identity data" means data that may be used to identify a program participant, including the program participant's name, phone number, e-mail address, address designated under chapter 5B, Social Security number, or driver's license number, and that is collected, received, or maintained by a government entity before the date a program participant's certification expires, or the date the entity receives notice that the program participant has withdrawn from the program, whichever is earlier;

(4) "county recorder" means the county official who performs the functions of the county recorder or registrar of titles to record a document as part of the county real estate document recording system, regardless of title or office; and

(5) "real property records" means any record of data that is maintained ~~by a county~~ as part of the county real estate document recording system for use by the public, data on assessments, data on real or personal property taxation, and other data on real property.

Sec. 3. Minnesota Statutes 2020, section 13.045, subdivision 2, is amended to read:

Subd. 2. **Notification of certification.** (a) A program participant may ~~submit a notice, in writing, to~~ notify the responsible authority of any government entity other than the county recorder in writing, on a form prescribed by the secretary of state, that the participant is certified in the Safe at Home address confidentiality program pursuant to chapter 5B. The notice must include the program participant's name, ~~names of other program participants in the household,~~ date of birth, address designated under chapter 5B, program participant signature, signature of the participant's parent or guardian if the participant is a minor, date the program participant's certification in the program expires, and any other information specified by the secretary of state. A program participant may submit a subsequent notice of certification, if the participant's certification is renewed. The contents of the notification of certification are private data on individuals. A notice provided pursuant to this paragraph is a request to protect location data unless the participant requests that specific identity data also be protected.

(b) To affect real property records, ~~including but not limited to documents maintained in a public recording system, data on assessments and taxation, and other data on real property,~~ a program participant must submit a real property notice in writing to the county recorder in the county where the property identified in the real property notice is located. To affect real property records maintained by any other government entity, a program participant must submit a real property notice in writing to the other government entity's responsible authority. A real property notice must be on a form prescribed by the secretary of state and must include:

(1) the full legal name of the program participant, including middle name;

(2) the last four digits of the program participant's Social Security number;

(3) the participant's date of birth;

~~(3)~~ (4) the designated address of the program participant as assigned by the secretary of state, including lot number;

~~(4) the date the program participant's certification in the program expires;~~

(5) the legal description and street address, if any, of the real property affected by the notice;

(6) the address of the Office of the Secretary of State; and

(7) the signature of the program participant.

Only one parcel of real property may be included in each notice, but more than one notice may be presented ~~to the county recorder~~. ~~The county recorder~~ The recipient of the notice may require a program participant to provide additional information necessary to identify the records of the program participant or the real property described in the notice. A program participant must submit a subsequent real property notice for the real property if the participant's ~~certification is renewed~~ legal name changes. The real property notice is private data on individuals.

Sec. 4. Minnesota Statutes 2020, section 13.045, subdivision 3, is amended to read:

Subd. 3. **Classification of identity and location data; amendment of records; sharing and dissemination.** (a) Identity and location data ~~on~~ for which a program participant ~~who submits a notice~~ seeks protection under subdivision 2, paragraph (a), that are not otherwise classified by law are private data on individuals. ~~Notwithstanding any provision of law to the contrary, private or confidential location data on a program participant who submits a notice under subdivision 2, paragraph (a), may not be shared with any other government entity or nongovernmental entity except as provided in paragraph (b).~~

(b) ~~Private or confidential location data on a program participant must not be shared or disclosed by a government entity~~ Notwithstanding any provision of law to the contrary, private or confidential location data on a program participant who submits a notice under subdivision 2, paragraph (a), may not be shared with any other government entity or nongovernmental entity unless:

(1) the program participant has expressly consented in writing to sharing or dissemination of the data for the purpose for which the sharing or dissemination will occur;

(2) the data are subject to sharing or dissemination pursuant to court order under section 13.03, subdivision 6;

(3) the data are subject to sharing pursuant to section 5B.07, subdivision 2;

(4) the location data related to county of residence are needed to provide public assistance or other government services, or to allocate financial responsibility for the assistance or services;

(5) the data are necessary to perform a government entity's health, safety, or welfare functions, including the provision of emergency 911 services, the assessment and investigation of child or vulnerable adult abuse or neglect, or the assessment or inspection of services or locations for compliance with health, safety, or professional standards; or

(6) the data are necessary to aid an active law enforcement investigation of the program participant.

(c) Data disclosed under paragraph (b), clauses (4) to (6), may be used only for the purposes authorized in this subdivision and may not be further disclosed to any other person or government entity. Government entities receiving or sharing private or confidential data under this subdivision shall establish procedures to protect the data from further disclosure.

(d) Real property record data are governed by subdivision 4a.

(e) Notwithstanding sections 15.17 and 138.17, a government entity may amend records to replace a participant's location data with the participant's designated address.

Sec. 5. Minnesota Statutes 2020, section 13.045, subdivision 4a, is amended to read:

Subd. 4a. **Real property records.** (a) If a program participant submits a notice ~~to a county recorder~~ under subdivision 2, paragraph (b), the ~~county recorder~~ government entity must not disclose the program participant's identity data in conjunction with the property identified in the written notice in the entity's real property records, unless:

(1) the program participant has consented to sharing or dissemination of the data for the purpose identified in a writing acknowledged by the program participant;

(2) the data are subject to sharing or dissemination pursuant to court order under section 13.03, subdivision 6; ~~or~~

(3) the secretary of state authorizes the sharing or dissemination of the data under subdivision 4b for the purpose identified in the authorization~~.~~; or

(4) the data is shared with a government entity subject to this chapter for the purpose of administering assessment and taxation laws.

This subdivision does not prevent ~~the~~ a county recorder from returning original documents to the individuals that submitted the documents for recording. This subdivision does not prevent the public disclosure of the participant's name and address designated under chapter 5B in the county reception index if the participant's name and designated address are not disclosed in conjunction with location data. Each ~~county recorder~~ government entity shall establish procedures for recording or filing documents to comply with this subdivision. These procedures may include masking identity or location data and making documents or certificates of title containing the data private and not viewable except as allowed by this paragraph. The procedure must comply with the requirements of chapters 386, 507, 508, and 508A and other laws as appropriate, to the extent these requirements do not conflict with this section. The procedures must provide public notice of the existence of recorded documents and certificates of title that are not publicly viewable and the provisions for viewing them under this subdivision. Notice that a document or certificate is private and viewable only under this subdivision or subdivision 4b is deemed constructive notice of the document or certificate.

(b) A real property notice is notice only to the county recorder. A notice that does not conform to the requirements of a real property notice under subdivision 2, paragraph (b), is not effective as a notice to the county recorder. On receipt of a real property notice, the ~~county recorder~~ government entity shall provide a copy of the notice to the person who maintains the property tax records in that ~~county~~ jurisdiction, to the county's or municipality's responsible authority, and provide a copy to the secretary of state at the address specified by the secretary of state in the notice.

(c) Paragraph (a) applies only to the records recorded or filed concurrently with the real property notice specified in subdivision 2, paragraph (b), and real property records affecting the same real property created or recorded subsequent to the ~~county's~~ government entity's receipt of the real property notice.

(d) The prohibition on disclosure in paragraph (a) continues until:

(1) the program participant has consented to the termination of the real property notice in a writing acknowledged by the program participant. Notification under this paragraph must be given by the government entity to the secretary of state within 90 days of the termination;

(2) the real property notice is terminated pursuant to a court order. Notification under this paragraph must be given by the government entity to the secretary of state within 90 days of the termination;

(3) the program participant no longer holds a record interest in the real property identified in the real property notice. Notification under this paragraph must be given by the government entity to the secretary of state within 90 days of the termination; or

(4) the secretary of state has given written notice to the ~~county recorder~~ government entity who provided the secretary of state with a copy of a participant's real property notice that the program participant's certification has terminated. Notification under this paragraph must be given by the secretary of state within 90 days of the termination.

Upon termination of the prohibition of disclosure, the ~~county recorder~~ government entity shall make publicly viewable all documents and certificates of title relative to the participant that were previously partially or wholly private and not viewable.

Sec. 6. Minnesota Statutes 2020, section 13.32, subdivision 3, is amended to read:

Subd. 3. **Private data; when disclosure is permitted.** Except as provided in subdivision 5, educational data is private data on individuals and shall not be disclosed except as follows:

(a) pursuant to section 13.05;

(b) pursuant to a valid court order;

(c) pursuant to a statute specifically authorizing access to the private data;

(d) to disclose information in health, including mental health, and safety emergencies pursuant to the provisions of United States Code, title 20, section 1232g(b)(1)(I) and Code of Federal Regulations, title 34, section 99.36;

(e) pursuant to the provisions of United States Code, title 20, sections 1232g(b)(1), (b)(4)(A), (b)(4)(B), (b)(1)(B), (b)(3), (b)(6), (b)(7), and (i), and Code of Federal Regulations, title 34, sections 99.31, 99.32, 99.33, 99.34, 99.35, and 99.39;

(f) to appropriate health authorities to the extent necessary to administer immunization programs and for bona fide epidemiologic investigations which the commissioner of health determines are necessary to prevent disease or disability to individuals in the public educational agency or institution in which the investigation is being conducted;

(g) when disclosure is required for institutions that participate in a program under title IV of the Higher Education Act, United States Code, title 20, section 1092;

(h) to the appropriate school district officials to the extent necessary under subdivision 6, annually to indicate the extent and content of remedial instruction, including the results of assessment testing and academic performance at a postsecondary institution during the previous academic year by a student who graduated from a Minnesota school district within two years before receiving the remedial instruction;

(i) to appropriate authorities as provided in United States Code, title 20, section 1232g(b)(1)(E)(ii), if the data concern the juvenile justice system and the ability of the system to effectively serve, prior to adjudication, the student whose records are released; provided that the authorities to whom the data are released submit a written request for the data that certifies that the data will not be disclosed to any other person except as authorized by law without the written consent of the parent of the student and the request and a record of the release are maintained in the student's file;

(j) to volunteers who are determined to have a legitimate educational interest in the data and who are conducting activities and events sponsored by or endorsed by the educational agency or institution for students or former students;

(k) to provide student recruiting information, from educational data held by colleges and universities, as required by and subject to Code of Federal Regulations, title 32, section 216;

(l) to the juvenile justice system if information about the behavior of a student who poses a risk of harm is reasonably necessary to protect the health or safety of the student or other individuals;

(m) with respect to Social Security numbers of students in the adult basic education system, to Minnesota State Colleges and Universities and the Department of Employment and Economic Development for the purpose and in the manner described in section 124D.52, subdivision 7;

(n) to the commissioner of education for purposes of an assessment or investigation of a report of alleged maltreatment of a student as mandated by chapter 260E. Upon request by the commissioner of education, data that are relevant to a report of maltreatment and are from charter school and school district investigations of alleged maltreatment of a student must be disclosed to the commissioner, including, but not limited to, the following:

(1) information regarding the student alleged to have been maltreated;

(2) information regarding student and employee witnesses;

(3) information regarding the alleged perpetrator; and

(4) what corrective or protective action was taken, if any, by the school facility in response to a report of maltreatment by an employee or agent of the school or school district;

(o) when the disclosure is of the final results of a disciplinary proceeding on a charge of a crime of violence or nonforcible sex offense to the extent authorized under United States Code, title 20, section 1232g(b)(6)(A) and (B) and Code of Federal Regulations, title 34, sections 99.31 (a)(13) and (14);

(p) when the disclosure is information provided to the institution under United States Code, title 42, section 14071, concerning registered sex offenders to the extent authorized under United States Code, title 20, section 1232g(b)(7); ~~or~~

(q) when the disclosure is to a parent of a student at an institution of postsecondary education regarding the student's violation of any federal, state, or local law or of any rule or policy of the institution, governing the use or possession of alcohol or of a controlled substance, to the extent authorized under United States Code, title 20, section 1232g(i), and Code of Federal Regulations, title 34, section 99.31 (a)(15), and provided the institution has an information release form signed by the student authorizing disclosure to a parent. The institution must notify parents and students about the purpose and availability of the information release forms. At a minimum, the institution must distribute the information release forms at parent and student orientation meetings~~.~~; or

(r) with tribal nations about tribally enrolled or descendant students to the extent necessary for the tribal nation and school district or charter school to support the educational attainment of the student.

Sec. 7. **[13.3655] ATTORNEY GENERAL DATA CODED ELSEWHERE.**

Subdivision 1. **Scope.** The sections referred to in this section are codified outside this chapter. Those sections classify attorney general data as other than public, place restrictions on access to government data, or involve data sharing.

Subd. 2. **Jailhouse witnesses.** Data collected and maintained by the attorney general regarding jailhouse witnesses are governed by section 634.045.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 8. Minnesota Statutes 2020, section 13.7931, is amended by adding a subdivision to read:

Subd. 1b. **Data on individuals who are minors.** Data on individuals who are minors that are collected, created, received, maintained, or disseminated by the Department of Natural Resources are classified under section 84.0873.

Sec. 9. Minnesota Statutes 2020, section 13.82, is amended by adding a subdivision to read:

Subd. 33. **Mental health care data.** (a) Mental health data received from the welfare system as described in section 13.46, subdivision 7, are classified as described in that section.

(b) Data received from a provider as described in section 144.294 are classified as described in that section.

(c) Health records received from a provider are governed by section 144.293.

(d) The following data on individuals created or collected by law enforcement agencies are private data on individuals, unless the data become criminal investigative data, in which the data are classified by subdivision 7:

(1) medications taken by an individual;

(2) mental illness diagnoses;

(3) the psychological or psychosocial history of an individual;

(4) risk factors or potential triggers related to an individual's mental health;

(5) mental health or social service providers serving an individual; and

(6) data pertaining to the coordination of social service or mental health care on behalf of an individual, including the scheduling of appointments, responses from providers, and follow-up.

(e) Data classified as private by paragraph (d) may be shared with the welfare system, as defined in section 13.46, subdivision 1, paragraph (c), or with a provider as defined by section 144.291, subdivision 2, paragraph (i), to coordinate necessary services on behalf of the subject of the data.

(f) This subdivision does not affect the classification of data made public by subdivision 2, 3, or 6 or those portions of inactive investigative data made public by subdivision 7.

Sec. 10. Minnesota Statutes 2020, section 13.824, subdivision 6, is amended to read:

Subd. 6. **Biennial audit.** (a) In addition to the log required under subdivision 5, the law enforcement agency must maintain records showing the date and time automated license plate reader data were collected and the applicable classification of the data. The law enforcement agency shall arrange for an independent, biennial audit of the records to determine whether data currently in the records are classified, how the data are used, whether they are destroyed as required under this section, and to verify compliance with subdivision 7. If the commissioner of administration believes that a law enforcement agency is not complying with this section or other applicable law, the commissioner may order a law enforcement agency to arrange for additional independent audits. Data in the records required under this paragraph are classified as provided in subdivision 2.

(b) The results of the audit are public. The commissioner of administration shall review the results of the audit. If the commissioner determines that there is a pattern of substantial noncompliance with this section by the law enforcement agency, the agency must immediately suspend operation of all automated license plate reader devices until the commissioner has authorized the agency to reinstate their use. An order of suspension under this paragraph may be issued by the commissioner, upon review of the results of the audit, review of the applicable provisions of this chapter, and after providing the agency a reasonable opportunity to respond to the audit's findings.

(c) A report summarizing the results of each audit must be provided to the commissioner of administration, to the ~~chair~~ chairs and ranking minority members of the committees of the house of representatives and the senate with jurisdiction over data practices and public safety issues, and to the Legislative Commission on Data Practices and Personal Data Privacy no later than 30 days following completion of the audit.

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

Sec. 11. Minnesota Statutes 2020, section 13.825, subdivision 9, is amended to read:

Subd. 9. **Biennial audit.** (a) A law enforcement agency must maintain records showing the date and time portable recording system data were collected and the applicable classification of the data. The law enforcement agency shall arrange for an independent, biennial audit of the data to determine whether data are appropriately classified according to this section, how the data are used, and whether the data are destroyed as required under this section, and to verify compliance with subdivisions 7 and 8. If the governing body with jurisdiction over the budget of the agency determines that the agency is not complying with this section or other applicable law, the governing body may order additional independent audits. Data in the records required under this paragraph are classified as provided in subdivision 2.

(b) The results of the audit are public, except for data that are otherwise classified under law. The governing body with jurisdiction over the budget of the law enforcement agency shall review the results of the audit. If the governing body determines that there is a pattern of substantial noncompliance with this section, the governing body must order that operation of all portable recording systems be suspended until the governing body has authorized the agency to reinstate their use. An order of suspension under this paragraph may only be made following review of the results of the audit and review of the applicable provisions of this chapter, and after providing the agency and members of the public a reasonable opportunity to respond to the audit's findings in a public meeting.

(c) A report summarizing the results of each audit must be provided to the governing body with jurisdiction over the budget of the law enforcement agency ~~and~~, to the Legislative Commission on Data Practices and Personal Data Privacy, and to the chairs and ranking minority members of the committees of the house of representatives and the senate with jurisdiction over data practices and public safety issues no later than 60 days following completion of the audit.

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

Sec. 12. Minnesota Statutes 2020, section 13.856, subdivision 3, is amended to read:

Subd. 3. **Public data.** The following closed case data maintained by the ombudsperson are classified as public data pursuant to section 13.02, subdivision 15:

(1) client name;

(2) client location; and

(3) the inmate identification number assigned by the Department of Corrections.

Sec. 13. **[84.0873] DATA ON INDIVIDUALS WHO ARE MINORS.**

(a) When the Department of Natural Resources collects, creates, receives, maintains, or disseminates the following data on individuals who the department knows are minors, the data are considered private data on individuals, as defined in section 13.02, subdivision 12, except for data classified as public data according to section 13.43:

(1) name;

(2) date of birth;

(3) Social Security number;

(4) telephone number;

(5) e-mail address;

(6) physical or mailing address;

(7) location data;

(8) online account access information;

(9) data associated with the location of electronic devices; and

(10) other data that would identify participants who have registered for events, programs, or classes sponsored by the Department of Natural Resources.

(b) Data about minors classified under this section maintain their classification as private data on individuals after the individual is no longer a minor.

Sec. 14. Minnesota Statutes 2020, section 144.225, subdivision 7, is amended to read:

Subd. 7. **Certified birth or death record.** (a) The state registrar or local issuance office shall issue a certified birth or death record or a statement of no vital record found to an individual upon the individual's proper completion of an attestation provided by the commissioner and payment of the required fee:

(1) to a person who ~~has a tangible interest in the requested vital record. A person who has a tangible interest~~ is:

(i) the subject of the vital record;

(ii) a child of the subject;

(iii) the spouse of the subject;

(iv) a parent of the subject;

(v) the grandparent or grandchild of the subject;

(vi) if the requested record is a death record, a sibling of the subject;

~~(vii) the party responsible for filing the vital record;~~

~~(viii)~~ (vii) the legal custodian, guardian or conservator, or health care agent of the subject;

~~(ix)~~ (viii) a personal representative, by sworn affidavit of the fact that the certified copy is required for administration of the estate;

~~(x)~~ (ix) a successor of the subject, as defined in section 524.1-201, if the subject is deceased, by sworn affidavit of the fact that the certified copy is required for administration of the estate;

~~(xi)~~ (x) if the requested record is a death record, a trustee of a trust by sworn affidavit of the fact that the certified copy is needed for the proper administration of the trust;

~~(xii)~~ (xi) a person or entity who demonstrates that a certified vital record is necessary for the determination or protection of a personal or property right, pursuant to rules adopted by the commissioner; or

~~(xiii)~~ (xii) an adoption agency in order to complete confidential postadoption searches as required by section 259.83;

(2) to any local, state, tribal, or federal governmental agency upon request if the certified vital record is necessary for the governmental agency to perform its authorized duties;

(3) to an attorney representing the subject of the vital record or another person listed in clause (1), upon evidence of the attorney's license;

(4) pursuant to a court order issued by a court of competent jurisdiction. For purposes of this section, a subpoena does not constitute a court order; or

(5) to a representative authorized by a person under clauses (1) to (4).

(b) The state registrar or local issuance office shall also issue a certified death record to an individual described in paragraph (a), clause (1), items (ii) to ~~(viii)~~ (xi), if, on behalf of the individual, a licensed mortician furnishes the registrar with a properly completed attestation in the form provided by the commissioner within 180 days of the time of death of the subject of the death record. This paragraph is not subject to the requirements specified in Minnesota Rules, part 4601.2600, subpart 5, item B.

Sec. 15. **INITIAL APPOINTMENTS AND MEETINGS.**

Appointing authorities for the Legislative Commission on Data Practices under Minnesota Statutes, section 3.8844, must make initial appointments by June 1, 2021. The speaker of the house of representatives must designate one member of the commission to convene the first meeting of the commission by June 15, 2021.

ARTICLE 9
FORFEITURE

Section 1. Minnesota Statutes 2020, section 169A.63, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the meanings given them.

(b) "Appropriate agency" means a law enforcement agency that has the authority to make an arrest for a violation of a designated offense or to require a test under section 169A.51 (chemical tests for intoxication).

(c) "Asserting person" means a person, other than the driver alleged to have committed a designated offense, claiming an ownership interest in a vehicle that has been seized or restrained under this section.

~~(c)~~ (d) "Claimant" means an owner of a motor vehicle or a person claiming a leasehold or security interest in a motor vehicle.

~~(d)~~ (e) "Designated license revocation" includes 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; within ten years of the first of two or more qualified prior impaired driving incidents.

~~(e)~~ (f) "Designated offense" includes:

(1) a violation of section 169A.20 (driving while impaired) under the circumstances described in section 169A.24 (first-degree driving while impaired)~~, or 169A.25 (second-degree driving while impaired)~~; or

(2) a violation of section 169A.20 or an ordinance in conformity with it~~:~~ within ten years of the first of two qualified prior impaired driving incidents.

~~(i) by a person whose driver's license or driving privileges have been canceled as inimical to public safety under section 171.04, subdivision 1, clause (10), and not reinstated; or~~

~~(ii) by a person who is subject to a restriction on the person's driver's license under section 171.09 (commissioner's license restrictions), which provides that the person may not use or consume any amount of alcohol or a controlled substance.~~

~~(f)~~ (g) "Family or household member" means:

(1) a parent, stepparent, or guardian;

(2) any of the following persons related by blood, marriage, or adoption: brother, sister, stepbrother, stepsister, first cousin, aunt, uncle, nephew, niece, grandparent, great-grandparent, great-uncle, great-aunt; or

(3) persons residing together or persons who regularly associate and communicate with one another outside of a workplace setting.

~~(g)~~ (h) "Motor vehicle" and "vehicle" do not include a vehicle which is stolen or taken in violation of the law.

~~(h)~~ (i) "Owner" means a person legally entitled to possession, use, and control of a motor vehicle, including a lessee of a motor vehicle if the lease agreement has a term of 180 days or more. There is a rebuttable presumption that a person registered as the owner of a motor vehicle according to the records of the Department of Public Safety is the legal owner. For purposes of this section, if a motor vehicle is owned jointly by two or more people, each owner's interest extends to the whole of the vehicle and is not subject to apportionment.

~~(i)~~ (j) "Prosecuting authority" means the attorney in the jurisdiction in which the designated offense occurred who is responsible for prosecuting violations of a designated offense or a designee. If a state agency initiated the forfeiture, and the attorney responsible for prosecuting the designated offense declines to pursue forfeiture, the Attorney General's Office or its designee may initiate forfeiture under this section.

~~(j)~~ (k) "Security interest" means a bona fide security interest perfected according to section 168A.17, subdivision 2, based on a loan or other financing that, if a vehicle is required to be registered under chapter 168, is listed on the vehicle's title.

EFFECTIVE DATE. This section is effective January 1, 2022, and applies to seizures that take place on or after that date.

Sec. 2. Minnesota Statutes 2020, section 169A.63, subdivision 7, is amended to read:

Subd. 7. **Limitations on vehicle forfeiture.** (a) A vehicle is presumed subject to forfeiture under this section if:

(1) the driver is convicted of the designated offense upon which the forfeiture is based; or

~~(2) the driver fails to appear for a scheduled court appearance with respect to the designated offense charged and fails to voluntarily surrender within 48 hours after the time required for appearance; or~~

~~(3)~~ (2) the driver's conduct results in a designated license revocation and the driver fails to seek judicial review of the revocation in a timely manner as required by section 169A.53, subdivision 2, (petition for judicial review), or the license revocation is judicially reviewed and sustained under section 169A.53, subdivision 2.

(b) A vehicle encumbered by a security interest perfected according to section 168A.17, subdivision 2, or subject to a lease that has a term of 180 days or more, is subject to the interest of the secured party or lessor unless the party or lessor had knowledge of or consented to the act upon which the forfeiture is based. However, when the proceeds of the sale of a seized vehicle do not equal or exceed the outstanding loan balance, the appropriate agency shall remit all proceeds of the sale to the secured party after deducting the agency's costs for the seizure, tow, storage, forfeiture, and sale of the vehicle. If the sale of the vehicle is conducted in a commercially reasonable manner consistent with the provisions of section 336.9-610, the agency is not liable to the secured party for any amount owed on the loan in excess of the sale proceeds. The validity and amount of a nonperfected security interest must be established by its holder by clear and convincing evidence.

(c) Notwithstanding paragraph (b), the secured party's or lessor's interest in a vehicle is not subject to forfeiture based solely on the secured party's or lessor's knowledge of the act or omission upon which the forfeiture is based if the secured party or lessor demonstrates by clear and convincing evidence that the party or lessor took reasonable steps to terminate use of the vehicle by the offender.

~~(d) A motor vehicle is not subject to forfeiture under this section if any of its owners who petition the court can demonstrate by clear and convincing evidence that the petitioning owner did not have actual or constructive knowledge that the vehicle would be used or operated in any manner contrary to law or that the petitioning owner took reasonable steps to prevent use of the vehicle by the offender. If the offender is a family or household member of any of the owners who petition the court and has three or more prior impaired driving convictions, the petitioning owner is presumed to know of any vehicle use by the offender that is contrary to law. "Vehicle use contrary to law" includes, but is not limited to, violations of the following statutes:~~

~~(1) section 171.24 (violations; driving without valid license);~~

~~(2) section 169.791 (criminal penalty for failure to produce proof of insurance);~~

~~(3) section 171.09 (driving restrictions; authority, violations);~~

~~(4) section 169A.20 (driving while impaired);~~

~~(5) section 169A.33 (underage drinking and driving); and~~

~~(6) section 169A.35 (open bottle law).~~

EFFECTIVE DATE. This section is effective January 1, 2022, and applies to seizures that take place on or after that date.

Sec. 3. Minnesota Statutes 2020, section 169A.63, is amended by adding a subdivision to read:

Subd. 7a. **Innocent owner.** (a) An asserting person may bring an innocent owner claim by notifying the prosecuting authority in writing and within 60 days of the service of the notice of seizure.

(b) Upon receipt of notice pursuant to paragraph (a), the prosecuting authority may release the vehicle to the asserting person. If the prosecuting authority proceeds with the forfeiture, the prosecuting authority must, within 30 days, file a separate complaint in the name of the jurisdiction pursuing the forfeiture against the vehicle, describing the vehicle, specifying that the vehicle was used in the commission of a designated offense or was used in conduct resulting in a designated license revocation, and specifying the time and place of the vehicle's unlawful use. The complaint may be filed in district court or conciliation court and the filing fee is waived.

(c) A complaint filed by the prosecuting authority must be served on the asserting person and on any other registered owners. Service may be made by certified mail at the address listed in the Department of Public Safety's computerized motor vehicle registration records or by any means permitted by court rules.

(d) The hearing on the complaint shall, to the extent practicable, be held within 30 days of the filing of the petition. The court may consolidate the hearing on the complaint with a hearing on any other complaint involving a claim of an ownership interest in the same vehicle.

(e) At a hearing held pursuant to this subdivision, the prosecuting authority must:

(1) prove by a preponderance of the evidence that the seizure was incident to a lawful arrest or a lawful search; and

(2) certify that the prosecuting authority has filed, or intends to file, charges against the driver for a designated offense or that the driver has a designated license revocation.

(f) At a hearing held pursuant to this subdivision, the asserting person must prove by a preponderance of the evidence that the asserting person:

(1) has an actual ownership interest in the vehicle; and

(2) did not have actual or constructive knowledge that the vehicle would be used or operated in any manner contrary to law or that the asserting person took reasonable steps to prevent use of the vehicle by the alleged offender.

(g) If the court determines that the state met both burdens under paragraph (e) and the asserting person failed to meet any burden under paragraph (f), the court shall order that the vehicle remains subject to forfeiture under this section.

(h) The court shall order that the vehicle is not subject to forfeiture under this section and shall order the vehicle returned to the asserting person if it determines that:

(1) the state failed to meet any burden under paragraph (e);

(2) the asserting person proved both elements under paragraph (f); or

(3) clauses (1) and (2) apply.

(i) If the court determines that the asserting person is an innocent owner and orders the vehicle returned to the innocent owner, an entity in possession of the vehicle is not required to release it until the innocent owner pays:

(1) the reasonable costs of the towing, seizure, and storage of the vehicle incurred before the innocent owner provided the notice required under paragraph (a); and

(2) any reasonable costs of storage of the vehicle incurred more than two weeks after an order issued under paragraph (h).

EFFECTIVE DATE. This section is effective January 1, 2022, and applies to seizures that take place on or after that date.

Sec. 4. Minnesota Statutes 2020, section 169A.63, subdivision 8, is amended to read:

Subd. 8. **Administrative forfeiture procedure.** (a) A motor vehicle used to commit a designated offense or used in conduct resulting in a designated license revocation is subject to administrative forfeiture under this subdivision.

(b) Within 60 days from when a motor vehicle is seized under subdivision 2, or within a reasonable time after seizure, the appropriate agency shall serve the driver or operator of the vehicle with a notice of the seizure and intent to forfeit the vehicle. Additionally, when a motor vehicle is seized under subdivision 2, or within a reasonable time after that, all persons known to have an ownership, possessory, or security interest in the vehicle must be notified of the seizure and the intent to forfeit the vehicle. For those vehicles required to be registered under chapter 168, the notification to a person known to have a security interest in the vehicle is required only if the vehicle is registered under chapter 168 and the interest is listed on the vehicle's title. Upon motion by the appropriate agency or prosecuting authority, a court may extend the time period for sending notice for a period not to exceed 90 days for good cause shown. Notice mailed by certified mail to the address shown in Department of Public Safety records is sufficient notice to the registered owner of the vehicle. For motor vehicles not required to be registered under chapter 168, notice mailed by certified mail to the address shown in the applicable filing or registration for the vehicle is sufficient notice to a person known to have an ownership, possessory, or security interest in the vehicle. Otherwise, notice may be given in the manner provided by law for service of a summons in a civil action.

(c) The notice must be in writing and contain:

(1) a description of the vehicle seized;

(2) the date of seizure; and

(3) notice of the right to obtain judicial review of the forfeiture and of the procedure for obtaining that judicial review, printed in English. This requirement does not preclude the appropriate agency from printing the notice in other languages in addition to English.

Substantially the following language must appear conspicuously in the notice:

"WARNING: If you were the person arrested when the property was seized, you will automatically lose the above-described property and the right to be heard in court if you do not file a lawsuit and serve the prosecuting authority within 60 days. You may file your lawsuit in conciliation court if the property is worth $15,000 or less; otherwise, you must file in district court. You ~~may~~ do not have to pay a filing fee for your lawsuit ~~if you are unable to afford the fee. You do not have to pay a conciliation court fee if your property is worth less than $500~~.

WARNING: If you have an ownership interest in the above-described property and were not the person arrested when the property was seized, you will automatically lose the above-described property and the right to be heard in court if you do not notify the prosecuting authority of your interest in writing within 60 days."

(d) If notice is not sent in accordance with paragraph (b), and no time extension is granted or the extension period has expired, the appropriate agency shall return the ~~property~~ vehicle to the ~~person from whom the property was seized, if known~~ owner. An agency's return of property due to lack of proper notice does not restrict the agency's authority to commence a forfeiture proceeding at a later time. ~~The agency shall not be required to return contraband or other property that the person from whom the property was seized may not legally possess.~~

(e) Within 60 days following service of a notice of seizure and forfeiture under this subdivision, a claimant may file a demand for a judicial determination of the forfeiture. The demand must be in the form of a civil complaint and must be filed with the court administrator in the county in which the seizure occurred, together with proof of service of a copy of the complaint on the prosecuting authority having jurisdiction over the forfeiture~~, including the standard filing fee for civil actions unless the petitioner has the right to sue in forma pauperis under section 563.01~~. The claimant may serve the complaint by certified mail or any means permitted by court rules. If the value of the seized property is $15,000 or less, the claimant may file an action in conciliation court for recovery of the seized vehicle. A copy of the conciliation court statement of claim must be served personally or by mail on the prosecuting authority having jurisdiction over the forfeiture~~, as well as on the appropriate agency that initiated the forfeiture,~~ within 60 days following service of the notice of seizure and forfeiture under this subdivision. ~~If the value of the seized property is less than $500,~~ The claimant does not have to pay the ~~conciliation~~ court filing fee.

No responsive pleading is required of the prosecuting authority and no court fees may be charged for the prosecuting authority's appearance in the matter. The prosecuting authority may appear for the appropriate agency. Pleadings, filings, and methods of service are governed by the Rules of Civil Procedure.

(f) The complaint must be captioned in the name of the claimant as plaintiff and the seized vehicle as defendant, and must state with specificity the grounds on which the claimant alleges the vehicle was improperly seized, the claimant's interest in the vehicle seized, and any affirmative defenses the claimant may have. Notwithstanding any law to the contrary, an action for the return of a vehicle seized under this section may not be maintained by or on behalf of any person who has been served with a notice of seizure and forfeiture unless the person has complied with this subdivision.

(g) If the claimant makes a timely demand for a judicial determination under this subdivision, the forfeiture proceedings must be conducted as provided under subdivision 9.

EFFECTIVE DATE. This section is effective January 1, 2022, and applies to seizures that take place on or after that date.

Sec. 5. Minnesota Statutes 2020, section 169A.63, subdivision 9, is amended to read:

Subd. 9. **Judicial forfeiture procedure.** (a) This subdivision governs judicial determinations of the forfeiture of a motor vehicle used to commit a designated offense or used in conduct resulting in a designated license revocation. An action for forfeiture is a civil in rem action and is independent of any criminal prosecution. All proceedings are governed by the Rules of Civil Procedure.

(b) If no demand for judicial determination of the forfeiture is pending, the prosecuting authority may, in the name of the jurisdiction pursuing the forfeiture, file a separate complaint against the vehicle, describing it, specifying that it was used in the commission of a designated offense or was used in conduct resulting in a designated license revocation, and specifying the time and place of its unlawful use.

(c) The prosecuting authority may file an answer to a properly served demand for judicial determination, including an affirmative counterclaim for forfeiture. The prosecuting authority is not required to file an answer.

(d) A judicial determination under this subdivision must be held at the earliest practicable date, and in any event no later than 180 days following the filing of the demand by the claimant. If a related criminal proceeding is pending, the hearing shall not be held until the conclusion of the criminal proceedings. The district court administrator shall schedule the hearing as soon as practicable after the conclusion of the criminal prosecution. The district court administrator shall establish procedures to ensure efficient compliance with this subdivision. The hearing is to the court without a jury.

(e) There is a presumption that a vehicle seized under this section is subject to forfeiture if the prosecuting authority establishes that the vehicle was used in the commission of a designated offense or designated license revocation. A claimant bears the burden of proving any affirmative defense raised.

(f) If the forfeiture is based on the commission of a designated offense and the person charged with the designated offense appears in court as required and is not convicted of the offense, the court shall order the property returned to the person legally entitled to it upon that person's compliance with the redemption requirements of section 169A.42. If the forfeiture is based on a designated license revocation, and the license revocation is rescinded under section 169A.53, subdivision 3 (judicial review hearing, issues, order, appeal), the court shall order the property returned to the person legally entitled to it upon that person's compliance with the redemption requirements of section 169A.42.

(g) If the lawful ownership of the vehicle used in the commission of a designated offense or used in conduct resulting in a designated license revocation can be determined and the owner makes the demonstration required under subdivision ~~7, paragraph (d)~~ 7a, the vehicle must be returned immediately upon the owner's compliance with the redemption requirements of section 169A.42.

(h) If the court orders the return of a seized vehicle under this subdivision it ~~must order that filing fees be reimbursed to the person who filed the demand for judicial determination. In addition, the court~~ may order sanctions under section 549.211 (sanctions in civil actions). Any ~~reimbursement fees or~~ sanctions must be paid from other forfeiture proceeds of the law enforcement agency and prosecuting authority involved and in the same proportion as distributed under subdivision 10, paragraph (b).

EFFECTIVE DATE. This section is effective January 1, 2022, and applies to seizures that take place on or after that date.

Sec. 6. Minnesota Statutes 2020, section 169A.63, subdivision 10, is amended to read:

Subd. 10. **Disposition of forfeited vehicle.** (a) If the vehicle is administratively forfeited under subdivision 8, or if the court finds under subdivision 9 that the vehicle is subject to forfeiture under subdivisions 6 and 7, the appropriate agency shall:

(1) sell the vehicle and distribute the proceeds under paragraph (b); or

(2) keep the vehicle for official use. If the agency keeps a forfeited motor vehicle for official use, it shall make reasonable efforts to ensure that the motor vehicle is available for use by the agency's officers who participate in the drug abuse resistance education program.

(b) The proceeds from the sale of forfeited vehicles, after payment of seizure, towing, storage, forfeiture, and sale expenses, and satisfaction of valid liens against the property, must be distributed as follows:

(1) 70 percent of the proceeds must be forwarded to the appropriate agency for deposit as a supplement to the state or local agency's operating fund or similar fund for use in DWI-related enforcement, training, ~~and~~ education, crime prevention, equipment, or capital expenses; and

(2) 30 percent of the money or proceeds must be forwarded to the prosecuting authority that handled the forfeiture for deposit as a supplement to its operating fund or similar fund for prosecutorial purposes, training, education, crime prevention, equipment, or capital expenses. For purposes of this subdivision, the prosecuting authority shall not include privately contracted prosecutors of a local political subdivision and, in those events, the forfeiture proceeds shall be forwarded to the political subdivision where the forfeiture was handled for the purposes identified in clause (1).

(c) If a vehicle is sold under paragraph (a), the appropriate agency shall not sell the vehicle to: (1) an officer or employee of the agency that seized the property or to a person related to the officer or employee by blood or marriage; or (2) the prosecuting authority or any individual working in the same office or a person related to the authority or individual by blood or marriage.

(d) Sales of forfeited vehicles under this section must be conducted in a commercially reasonable manner.

(e) If a vehicle is forfeited administratively under this section and no demand for judicial determination is made, the appropriate agency shall provide the prosecuting authority with a copy of the forfeiture or evidence receipt, the notice of seizure and intent to forfeit, a statement of probable cause for forfeiture of the property, and a description of the property and its estimated value. Upon review and certification by the prosecuting authority that (1) the appropriate agency provided a receipt in accordance with subdivision 2, paragraph (c), (2) the appropriate agency served notice in accordance with subdivision 8, and (3) probable cause for forfeiture exists based on the officer's statement, the appropriate agency may dispose of the property in any of the ways listed in this subdivision.

EFFECTIVE DATE. This section is effective January 1, 2022, and applies to seizures that take place on or after that date.

Sec. 7. Minnesota Statutes 2020, 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 ~~who committed a designated offense or whose conduct resulted in a designated license revocation~~ becomes a program participant in the ignition interlock program under section 171.306 at any time before the motor vehicle is forfeited~~, the forfeiture proceeding is stayed and the vehicle must be returned~~ and any of the following apply:

(1) the driver committed 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; ~~or~~

(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) if forfeiture was stayed after the driver entered a treatment court, 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 ~~give security or post bond payable to the appropriate agency in an amount equal to the retail value~~ surrender the title of the seized vehicle. ~~If this occurs, any future forfeiture action against the vehicle must instead proceed against the security as if it were the vehicle.~~

~~(h) The appropriate agency may require an owner or driver to give security or post bond payable to the agency in an amount equal to the retail value of the vehicle, prior to releasing the vehicle from the impound lot to install an ignition interlock device.~~

~~(i)~~ (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.

~~(j)~~ (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.

~~(k)~~ (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.

EFFECTIVE DATE. This section is effective January 1, 2022, and applies to seizures that take place on or after that date.

Sec. 8. Minnesota Statutes 2020, section 169A.63, is amended by adding a subdivision to read:

Subd. 14. **Subsequent unlawful use of seized vehicle; immunity.** An appropriate agency or prosecuting authority, including but not limited to any peace officer as defined in section 626.84, subdivision 1, paragraph (c); prosecutor; or employee of an appropriate agency or prosecuting authority who, in good faith and within the course and scope of the official duties of the person or entity, returns a vehicle seized under this chapter to the owner pursuant to this section shall be immune from criminal or civil liability regarding any event arising out of the subsequent unlawful or unauthorized use of the motor vehicle.

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

Sec. 9. Minnesota Statutes 2020, section 609.531, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For the purpose of sections 609.531 to 609.5318, the following terms have the meanings given them.

(a) "Conveyance device" means a device used for transportation and includes, but is not limited to, a motor vehicle, trailer, snowmobile, airplane, and vessel and any equipment attached to it. The term "conveyance device" does not include property which is, in fact, itself stolen or taken in violation of the law.

(b) "Weapon used" means a dangerous weapon as defined under section 609.02, subdivision 6, that the actor used or had in possession in furtherance of a crime.

(c) "Property" means property as defined in section 609.52, subdivision 1, clause (1).

(d) "Contraband" means property which is illegal to possess under Minnesota law.

(e) "Appropriate agency" means the Bureau of Criminal Apprehension, the Department of Commerce Fraud Bureau, the Minnesota Division of Driver and Vehicle Services, the Minnesota State Patrol, a county sheriff's department, the Three Rivers Park District ~~park rangers~~ Department of Public Safety, the Department of Natural Resources Division of Enforcement, the University of Minnesota Police Department, the Department of Corrections Fugitive Apprehension Unit, a city, metropolitan transit, or airport police department; or a multijurisdictional entity established under section 299A.642 or 299A.681.

(f) "Designated offense" includes:

(1) for weapons used: any violation of this chapter, chapter 152 or 624;

(2) for driver's license or identification card transactions: any violation of section 171.22; and

(3) for all other purposes: a felony violation of, or a felony-level attempt or conspiracy to violate, section 325E.17; 325E.18; 609.185; 609.19; 609.195; 609.2112; 609.2113; 609.2114; 609.221; 609.222; 609.223; 609.2231; 609.2335; 609.24; 609.245; 609.25; 609.255; 609.282; 609.283; 609.322; 609.342, subdivision 1, clauses (a) to (f); 609.343, subdivision 1, clauses (a) to (f); 609.344, subdivision 1, clauses (a) to (e), and (h) to (j); 609.345, subdivision 1, clauses (a) to (e), and (h) to (j); 609.352; 609.42; 609.425; 609.466; 609.485; 609.487; 609.52; 609.525; 609.527; 609.528; 609.53; 609.54; 609.551; 609.561; 609.562; 609.563; 609.582; 609.59; 609.595; 609.611; 609.631; 609.66, subdivision 1e; 609.671, subdivisions 3, 4, 5, 8, and 12; 609.687; 609.821; 609.825; 609.86; 609.88; 609.89; 609.893; 609.895; 617.246; 617.247; or a gross misdemeanor or felony violation of section 609.891 or 624.7181; or any violation of section 609.324; or a felony violation of, or a felony-level attempt or conspiracy to violate, Minnesota Statutes 2012, section 609.21.

(g) "Controlled substance" has the meaning given in section 152.01, subdivision 4.

(h) "Prosecuting authority" means the attorney who is responsible for prosecuting an offense that is the basis for a forfeiture under sections 609.531 to 609.5318.

(i) "Asserting person" means a person, other than the driver alleged to have used a vehicle in the transportation or exchange of a controlled substance intended for distribution or sale, claiming an ownership interest in a vehicle that has been seized or restrained under this section.

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

Sec. 10. Minnesota Statutes 2020, section 609.531, is amended by adding a subdivision to read:

Subd. 9. **Transfer of forfeitable property to federal government.** The appropriate agency shall not directly or indirectly transfer property subject to forfeiture under sections 609.531 to 609.5318 to a federal agency if the transfer would circumvent state law.

EFFECTIVE DATE. This section is effective January 1, 2022, and applies to seizures that take place on or after that date.

Sec. 11. Minnesota Statutes 2020, section 609.5311, subdivision 2, is amended to read:

Subd. 2. **Associated property.** (a) All personal property~~,~~ and real ~~and personal~~ property, other than homestead property exempt from seizure under section 510.01, that ~~has been used, or is intended for use, or has in any way facilitated, in whole or in part, the manufacturing, compounding, processing, delivering, importing, cultivating, exporting, transporting, or exchanging of contraband or a controlled substance that has not been lawfully manufactured, distributed, dispensed, and acquired~~ is an instrument or represents the proceeds of a controlled substance offense is subject to forfeiture under this section, except as provided in subdivision 3.

(b) The Department of Corrections Fugitive Apprehension Unit shall not seize real property for the purposes of forfeiture under paragraph (a).

(c) Money is the property of an appropriate agency and may be seized and recovered by the appropriate agency if:

(1) the money is used by an appropriate agency, or furnished to a person operating on behalf of an appropriate agency, to purchase or attempt to purchase a controlled substance; and

(2) the appropriate agency records the serial number or otherwise marks the money for identification.

As used in this paragraph, "money" means United States currency and coin; the currency and coin of a foreign country; a bank check, cashier's check, or traveler's check; a prepaid credit card; cryptocurrency; or a money order.

EFFECTIVE DATE. This section is effective January 1, 2022, and applies to seizures that take place on or after that date.

Sec. 12. Minnesota Statutes 2020, section 609.5311, subdivision 3, is amended to read:

Subd. 3. **Limitations on forfeiture of certain property associated with controlled substances.** (a) A conveyance device is subject to forfeiture under this section only if the retail value of the controlled substance is ~~$75~~ $100 or more and the conveyance device ~~is associated with a felony-level controlled substance crime~~ was used in the transportation or exchange of a controlled substance intended for distribution or sale.

(b) Real property is subject to forfeiture under this section only if the retail value of the controlled substance or contraband is $2,000 or more.

(c) Property used by any person as a common carrier in the transaction of business as a common carrier is subject to forfeiture under this section only if the owner of the property is a consenting party to, or is privy to, the use or intended use of the property as described in subdivision 2.

(d) Property is subject to forfeiture under this section only if its owner was privy to the use or intended use described in subdivision 2, or the unlawful use or intended use of the property otherwise occurred with the owner's knowledge or consent.

(e) Forfeiture under this section of a conveyance device or real property encumbered by a bona fide security interest is subject to the interest of the secured party unless the secured party had knowledge of or consented to the act or omission upon which the forfeiture is based. A person claiming a security interest bears the burden of establishing that interest by clear and convincing evidence.

(f) Forfeiture under this section of real property is subject to the interests of a good faith purchaser for value unless the purchaser had knowledge of or consented to the act or omission upon which the forfeiture is based.

(g) Notwithstanding paragraphs (d), (e), and (f), property is not subject to forfeiture based solely on the owner's or secured party's knowledge of the unlawful use or intended use of the property if: (1) the owner or secured party took reasonable steps to terminate use of the property by the offender; or (2) the property is real property owned by the parent of the offender, unless the parent actively participated in, or knowingly acquiesced to, a violation of chapter 152, or the real property constitutes proceeds derived from or traceable to a use described in subdivision 2.

(h) Money is subject to forfeiture under this section only if it has a total value of $1,500 or more or there is probable cause to believe that the money was exchanged for the purchase of a controlled substance. As used in this paragraph, "money" means United States currency and coin; the currency and coin of a foreign country; a bank check, cashier's check, or traveler's check; a prepaid credit card; cryptocurrency; or a money order.

~~(h)~~ (i) The Department of Corrections Fugitive Apprehension Unit shall not seize a conveyance device or real property, for the purposes of forfeiture under paragraphs (a) to (g).

(j) Nothing in this subdivision prohibits the seizure, with or without warrant, of any property or thing for the purpose of being produced as evidence on any trial or for any other lawful purpose.

EFFECTIVE DATE. This section is effective January 1, 2022, and applies to seizures that take place on or after that date.

Sec. 13. Minnesota Statutes 2020, section 609.5311, subdivision 4, is amended to read:

Subd. 4. **Records; proceeds.** ~~(a)~~ All books, records, and research products and materials, including formulas, microfilm, tapes, and data that are used, or intended for use in the manner described in subdivision 2 are subject to forfeiture.

~~(b) All property, real and personal, that represents proceeds derived from or traceable to a use described in subdivision 2 is subject to forfeiture.~~

EFFECTIVE DATE. This section is effective January 1, 2022, and applies to seizures that take place on or after that date.

Sec. 14. Minnesota Statutes 2020, section 609.5314, subdivision 1, is amended to read:

Subdivision 1. **Property subject to administrative forfeiture~~; presumption~~.** (a) The following are ~~presumed to be~~ subject to administrative forfeiture under this section:

(1) all money totaling $1,500 or more, precious metals, and precious stones ~~found in proximity to:~~ that there is probable cause to believe represent the proceeds of a controlled substance offense;

~~(i) controlled substances;~~

~~(ii) forfeitable drug manufacturing or distributing equipment or devices; or~~

~~(iii) forfeitable records of manufacture or distribution of controlled substances;~~

(2) all money found in proximity to controlled substances when there is probable cause to believe that the money was exchanged for the purchase of a controlled substance;

~~(2)~~ (3) all conveyance devices containing controlled substances with a retail value of $100 or more if ~~possession or sale of the controlled substance would be a felony under chapter 152~~ there is probable cause to believe that the conveyance device was used in the transportation or exchange of a controlled substance intended for distribution or sale; and

~~(3)~~ (4) all firearms, ammunition, and firearm accessories found:

(i) in a conveyance device used or intended for use to commit or facilitate the commission of a felony offense involving a controlled substance;

(ii) on or in proximity to a person from whom a felony amount of controlled substance is seized; or

(iii) on the premises where a controlled substance is seized and in proximity to the controlled substance, if possession or sale of the controlled substance would be a felony under chapter 152.

(b) The Department of Corrections Fugitive Apprehension Unit shall not seize items listed in paragraph (a), clauses ~~(2)~~ (3) and ~~(3)~~ (4), for the purposes of forfeiture.

(c) ~~A claimant of the property bears the burden to rebut this presumption.~~ Money is the property of an appropriate agency and may be seized and recovered by the appropriate agency if:

(1) the money is used by an appropriate agency, or furnished to a person operating on behalf of an appropriate agency, to purchase or attempt to purchase a controlled substance; and

(2) the appropriate agency records the serial number or otherwise marks the money for identification.

(d) As used in this section, "money" means United States currency and coin; the currency and coin of a foreign country; a bank check, cashier's check, or traveler's check; a prepaid credit card; cryptocurrency; or a money order.

EFFECTIVE DATE. This section is effective January 1, 2022, and applies to seizures that take place on or after that date.

Sec. 15. Minnesota Statutes 2020, section 609.5314, is amended by adding a subdivision to read:

Subd. 1a. **Innocent owner.** (a) Any person, other than the defendant driver, alleged to have used a vehicle in the transportation or exchange of a controlled substance intended for distribution or sale, claiming an ownership interest in a vehicle that has been seized or restrained under this section may assert that right by notifying the prosecuting authority in writing and within 60 days of the service of the notice of seizure.

(b) Upon receipt of notice pursuant to paragraph (a), the prosecuting authority may release the vehicle to the asserting person. If the prosecuting authority proceeds with the forfeiture, the prosecuting authority must, within 30 days, file a separate complaint in the name of the jurisdiction pursuing the forfeiture against the vehicle, describing the vehicle, specifying that the vehicle was used in the transportation or exchange of a controlled substance intended for distribution or sale, and specifying the time and place of the vehicle's unlawful use. The complaint may be filed in district court or conciliation court and the filing fee is waived.

(c) A complaint filed by the prosecuting authority must be served on the asserting person and on any other registered owners. Service may be made by certified mail at the address listed in the Department of Public Safety's computerized motor vehicle registration records or by any means permitted by court rules.

(d) The hearing on the complaint shall, to the extent practicable, be held within 30 days of the filing of the petition. The court may consolidate the hearing on the complaint with a hearing on any other complaint involving a claim of an ownership interest in the same vehicle.

(e) At a hearing held pursuant to this subdivision, the state must prove by a preponderance of the evidence that:

(1) the seizure was incident to a lawful arrest or a lawful search; and

(2) the vehicle was used in the transportation or exchange of a controlled substance intended for distribution or sale.

(f) At a hearing held pursuant to this subdivision, the asserting person must prove by a preponderance of the evidence that the asserting person:

(1) has an actual ownership interest in the vehicle; and

(2) did not have actual or constructive knowledge that the vehicle would be used or operated in any manner contrary to law or that the asserting person took reasonable steps to prevent use of the vehicle by the alleged offender.

(g) If the court determines that the state met both burdens under paragraph (e) and the asserting person failed to meet any burden under paragraph (f), the court shall order that the vehicle remains subject to forfeiture under this section.

(h) The court shall order that the vehicle is not subject to forfeiture under this section and shall order the vehicle returned to the asserting person if it determines that:

(1) the state failed to meet any burden under paragraph (e);

(2) the asserting person proved both elements under paragraph (f); or

(3) clauses (1) and (2) apply.

(i) If the court determines that the asserting person is an innocent owner and orders the vehicle returned to the innocent owner, an entity in possession of the vehicle is not required to release the vehicle until the innocent owner pays:

(1) the reasonable costs of the towing, seizure, and storage of the vehicle incurred before the innocent owner provided the notice required under paragraph (a); and

(2) any reasonable costs of storage of the vehicle incurred more than two weeks after an order issued under paragraph (h).

EFFECTIVE DATE. This section is effective January 1, 2022, and applies to seizures that take place on or after that date.

Sec. 16. Minnesota Statutes 2020, section 609.5314, subdivision 2, is amended to read:

Subd. 2. **Administrative forfeiture procedure.** (a) Forfeiture of property described in subdivision 1 that does not exceed $50,000 in value is governed by this subdivision. Within 60 days from when seizure occurs, all persons known to have an ownership, possessory, or security interest in seized property must be notified of the seizure and the intent to forfeit the property. In the case of a motor vehicle required to be registered under chapter 168, notice mailed by certified mail to the address shown in Department of Public Safety records is deemed sufficient notice to the registered owner. The notification to a person known to have a security interest in seized property required under this paragraph applies only to motor vehicles required to be registered under chapter 168 and only if the security interest is listed on the vehicle's title. Upon motion by the appropriate agency or the prosecuting authority, a court may extend the time period for sending notice for a period not to exceed 90 days for good cause shown.

(b) Notice may otherwise be given in the manner provided by law for service of a summons in a civil action. The notice must be in writing and contain:

(1) a description of the property seized;

(2) the date of seizure; and

(3) notice of the right to obtain judicial review of the forfeiture and of the procedure for obtaining that judicial review, printed in English. This requirement does not preclude the appropriate agency from printing the notice in other languages in addition to English.

Substantially the following language must appear conspicuously in the notice:

"WARNING: If you were the person arrested when the property was seized, you will automatically lose the above-described property and the right to be heard in court if you do not file a lawsuit and serve the prosecuting authority within 60 days. You may file your lawsuit in conciliation court if the property is worth $15,000 or less; otherwise, you must file in district court. You ~~may~~ do not have to pay a filing fee for your lawsuit ~~if you are unable to afford the fee. You do not have to pay a conciliation court fee if your property is worth less than $500~~.

WARNING: If you have an ownership interest in the above-described property and were not the person arrested when the property was seized, you will automatically lose the above-described property and the right to be heard in court if you do not notify the prosecuting authority of your interest in writing within 60 days."

(c) If notice is not sent in accordance with paragraph (a), and no time extension is granted or the extension period has expired, the appropriate agency shall return the property to the person from whom the property was seized, if known. An agency's return of property due to lack of proper notice does not restrict the agency's authority to commence a forfeiture proceeding at a later time. The agency shall not be required to return contraband or other property that the person from whom the property was seized may not legally possess.

EFFECTIVE DATE. This section is effective January 1, 2022, and applies to seizures that take place on or after that date.

Sec. 17. Minnesota Statutes 2020, section 609.5314, subdivision 3, is amended to read:

Subd. 3. **Judicial determination.** (a) Within 60 days following service of a notice of seizure and forfeiture under this section, a claimant may file a demand for a judicial determination of the forfeiture. The demand must be in the form of a civil complaint and must be filed with the court administrator in the county in which the seizure occurred, together with proof of service of a copy of the complaint on the prosecuting authority for that county~~, and the standard filing fee for civil actions unless the petitioner has the right to sue in forma pauperis under section 563.01~~. The claimant may serve the complaint on the prosecuting authority by any means permitted by court rules. If the value of the seized property is $15,000 or less, the claimant may file an action in conciliation court for recovery of the seized property. ~~If the value of the seized property is less than $500,~~ The claimant does not have to pay the ~~conciliation~~ court filing fee. No responsive pleading is required of the prosecuting authority and no court fees may be charged for the prosecuting authority's appearance in the matter. The district court administrator shall schedule the hearing as soon as practicable after, and in any event no later than 90 days following, the conclusion of the criminal prosecution. The proceedings are governed by the Rules of Civil Procedure.

(b) The complaint must be captioned in the name of the claimant as plaintiff and the seized property as defendant, and must state with specificity the grounds on which the claimant alleges the property was improperly seized and the plaintiff's interest in the property seized. Notwithstanding any law to the contrary, an action for the return of property seized under this section may not be maintained by or on behalf of any person who has been served with a notice of seizure and forfeiture unless the person has complied with this subdivision.

(c) If the claimant makes a timely demand for judicial determination under this subdivision, the appropriate agency must conduct the forfeiture under section 609.531, subdivision 6a. The limitations and defenses set forth in section 609.5311, subdivision 3, apply to the judicial determination.

(d) If a demand for judicial determination of an administrative forfeiture is filed under this subdivision and the court orders the return of the seized property, ~~the court shall order that filing fees be reimbursed to the person who filed the demand. In addition,~~ the court may order sanctions under section 549.211. If the court orders payment of these costs, they must be paid from forfeited money or proceeds from the sale of forfeited property from the appropriate law enforcement and prosecuting agencies in the same proportion as they would be distributed under section 609.5315, subdivision 5.

EFFECTIVE DATE. This section is effective January 1, 2022, and applies to seizures that take place on or after that date.

Sec. 18. Minnesota Statutes 2020, section 609.5315, subdivision 5, is amended to read:

Subd. 5. **Distribution of money.** The money or proceeds from the sale of forfeited property, after payment of seizure, storage, forfeiture, and sale expenses, and satisfaction of valid liens against the property, must be distributed as follows:

(1) 70 percent of the money or proceeds must be forwarded to the appropriate agency for deposit as a supplement to the agency's operating fund or similar fund for use in law enforcement, training, education, crime prevention, equipment, or capital expenses;

(2) 20 percent of the money or proceeds must be forwarded to the prosecuting authority that handled the forfeiture for deposit as a supplement to its operating fund or similar fund for prosecutorial purposes, training, education, crime prevention, equipment, or capital expenses; and

(3) the remaining ten percent of the money or proceeds must be forwarded within 60 days after resolution of the forfeiture to the state treasury and credited to the general fund. Any local police relief association organized under chapter 423 which received or was entitled to receive the proceeds of any sale made under this section before the effective date of Laws 1988, chapter 665, sections 1 to 17, shall continue to receive and retain the proceeds of these sales.

EFFECTIVE DATE. This section is effective January 1, 2022, and applies to seizures that take place on or after that date.

Sec. 19. Minnesota Statutes 2020, section 609.5315, subdivision 5b, is amended to read:

Subd. 5b. **Disposition of certain forfeited proceeds; trafficking of persons~~; report required~~.** ~~(a)~~ Except as provided in subdivision 5c, for forfeitures resulting from violations of section 609.282, 609.283, or 609.322, the money or proceeds from the sale of forfeited property, after payment of seizure, storage, forfeiture, and sale expenses, and satisfaction of valid liens against the property, must be distributed as follows:

(1) 40 percent of the proceeds must be forwarded to the appropriate agency for deposit as a supplement to the agency's operating fund or similar fund for use in law enforcement;

(2) 20 percent of the proceeds must be forwarded to the prosecuting authority that handled the forfeiture for deposit as a supplement to its operating fund or similar fund for prosecutorial purposes; and

(3) the remaining 40 percent of the proceeds must be forwarded to the commissioner of health and are appropriated to the commissioner for distribution to crime victims services organizations that provide services to victims of trafficking offenses.

~~(b) By February 15 of each year, the commissioner of public safety shall report to the chairs and ranking minority members of the senate and house of representatives committees or divisions having jurisdiction over criminal justice funding on the money collected under paragraph (a), clause (3). The report must indicate the following relating to the preceding calendar year:~~

~~(1) the amount of money appropriated to the commissioner;~~

~~(2) how the money was distributed by the commissioner; and~~

~~(3) what the organizations that received the money did with it.~~

EFFECTIVE DATE. This section is effective January 1, 2022, and applies to seizures that take place on or after that date.

Sec. 20. Minnesota Statutes 2020, section 609.5315, subdivision 6, is amended to read:

Subd. 6. **Reporting requirement.** (a) For each forfeiture occurring in the state regardless of the authority for it and including forfeitures pursued under federal law, the appropriate agency and the prosecuting authority shall provide a written record of the forfeiture incident to the state auditor. The record shall include:

(1) the amount forfeited~~,~~;

(2) the statutory authority for the forfeiture~~, its~~;

(3) the date~~,~~ of the forfeiture;

(4) a brief description of the circumstances involved~~, and~~;

(5) whether the forfeiture was contested~~.~~;

(6) whether the defendant was convicted pursuant to a plea agreement or a trial;

(7) whether there was a forfeiture settlement agreement;

(8) whether the property was sold, destroyed, or retained by an appropriate agency;

(9) the gross revenue from the disposition of the forfeited property;

(10) an estimate of the total costs to the agency to store the property in an impound lot, evidence room, or other location; pay for the time and expenses of an appropriate agency and prosecuting authority to litigate forfeiture cases; and sell or dispose of the forfeited property;

(11) the net revenue, determined by subtracting the costs identified under clause (10) from the gross revenue identified in clause (9), the appropriate agency received from the disposition of forfeited property;

(12) if any property was retained by an appropriate agency, the purpose for which it is used;

(13) for controlled substance and driving while impaired forfeitures, ~~the record shall indicate~~ whether the forfeiture was initiated as an administrative or a judicial forfeiture~~. The record shall also list~~;

(14) the number of firearms forfeited and the make, model, and serial number of each firearm forfeited~~. The record shall indicate~~; and

(15) how the property was or is to be disposed of.

(b) An appropriate agency or the prosecuting authority shall report to the state auditor all instances in which property seized for forfeiture is returned to its owner either because forfeiture is not pursued or for any other reason.

(c) Each appropriate agency and prosecuting authority shall provide a written record regarding the proceeds of forfeited property, including proceeds received through forfeiture under state and federal law. The record shall include:

(1) the total amount of money or proceeds from the sale of forfeited property obtained or received by an appropriate agency or prosecuting authority in the previous reporting period;

(2) the manner in which each appropriate agency and prosecuting authority expended money or proceeds from the sale of forfeited property in the previous reporting period, including the total amount expended in the following categories:

(i) drug abuse, crime, and gang prevention programs;

(ii) victim reparations;

(iii) gifts or grants to crime victim service organizations that provide services to sexually exploited youth;

(iv) gifts or grants to crime victim service organizations that provide services to victims of trafficking offenses;

(v) investigation costs, including but not limited to witness protection, informant fees, and controlled buys;

(vi) court costs and attorney fees;

(vii) salaries, overtime, and benefits, as permitted by law;

(viii) professional outside services, including but not limited to auditing, court reporting, expert witness fees, outside attorney fees, and membership fees paid to trade associations;

(ix) travel, meals, and conferences;

(x) training and continuing education;

(xi) other operating expenses, including but not limited to office supplies, postage, and printing;

(xii) capital expenditures, including but not limited to vehicles, firearms, equipment, computers, and furniture;

(xiii) gifts or grants to nonprofit or other programs, indicating the recipient of the gift or grant; and

(xiv) any other expenditure, indicating the type of expenditure and, if applicable, the recipient of any gift or grant;

(3) the total value of seized and forfeited property held by an appropriate agency and not sold or otherwise disposed of; and

(4) a statement from the end of each year showing the balance of any designated forfeiture accounts maintained by an appropriate agency or prosecuting authority.

~~(c)~~ (d) Reports under paragraphs (a) and (b) shall be made on a ~~monthly~~ quarterly basis in a manner prescribed by the state auditor and reports under paragraph (c) shall be made on an annual basis in a manner prescribed by the state auditor. The state auditor shall report annually to the legislature on the nature and extent of forfeitures~~.~~, including the information provided by each appropriate agency or prosecuting authority under paragraphs (a) to (c). Summary data on seizures, forfeitures, and expenditures of forfeiture proceeds shall be disaggregated by each appropriate agency and prosecuting authority. The report shall be made public on the state auditor's website.

~~(d)~~ (e) For forfeitures resulting from the activities of multijurisdictional law enforcement entities, the entity on its own behalf shall report the information required in this subdivision.

~~(e)~~ (f) The prosecuting authority is not required to report information required by ~~this subdivision~~ paragraph (a) or (b) unless the prosecuting authority has been notified by the state auditor that the appropriate agency has not reported it.

EFFECTIVE DATE. This section is effective January 1, 2022, and applies to seizures that take place on or after that date.

Sec. 21. **RECIDIVISM STUDY.**

The legislative auditor shall conduct or contract with an independent third-party vendor to conduct a comprehensive program audit on the efficacy of forfeiture and the use of ignition interlock in cases involving an alleged violation of Minnesota Statutes, section 169A.20. The audit shall assess the financial impact of the programs, the efficacy in reducing recidivism, and the impacts, if any, on public safety. The audit shall be conducted in accordance with generally accepted government auditing standards issued by the United States

Government Accountability Office. The legislative auditor shall complete the audit no later than August 1, 2024, and shall report the results of the audit to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over public safety by January 15, 2025.

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

Sec. 22. **REPEALER.**

Minnesota Statutes 2020, section 609.5317, is repealed.

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

ARTICLE 10
POLICING

Section 1. Minnesota Statutes 2020, section 13.41, subdivision 3, is amended to read:

Subd. 3. **Board of Peace Officer Standards and Training.** The following government data of the Board of Peace Officer Standards and Training are private data:

~~(1)~~ personal phone numbers, and home and e-mail addresses of licensees and applicants for licenses~~; and~~

~~(2) data that identify the government entity that employs a licensed peace officer~~.

The board may disseminate private data on applicants and licensees as is necessary to administer law enforcement licensure or to provide data under section 626.845, subdivision 1, to law enforcement agencies who are conducting employment background investigations.

Sec. 2. Minnesota Statutes 2020, section 13.411, is amended by adding a subdivision to read:

Subd. 11. **Peace officer database.** Section 626.8457, subdivision 3, governs data sharing between law enforcement agencies and the Peace Officer Standards and Training Board for purposes of administering the peace officer database required by section 626.845, subdivision 3.

Sec. 3. **[169.984] VEHICLE EQUIPMENT SECONDARY OFFENSES.**

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

(b) "Dangerous condition" means a situation where an improper or malfunctioning piece of motor vehicle equipment creates a substantial, identifiable risk to human life.

(c) "Mandatory secondary offense" means a violation of section 168.09, subdivision 1 (vehicle registration); 169.69 (muffler required); 169.693 (exceed motor vehicle noise limits); 169.71, subdivision 1, paragraph (a), clause (2) (windshield prohibitions); 169.71, subdivision 4, clauses (1) to (4) (restrictions on mirrored/glazed windows); or 169.79, subdivision 8 (license plate validation stickers).

(d) "Presumptive secondary offense" means a violation of section 169.47, subdivision 1, paragraph (a) (unsafe equipment); 169.49 (headlamps); 169.50, subdivision 1, paragraph (b) (rear lamps); 169.50, subdivision 2 (license plate illumination); 169.55, subdivision 1 (lamps required); 169.57, subdivision 1, paragraph (a) (stop lamps); 169.63, paragraph (a) (use of headlamps); or 169.71, subdivision 1, paragraph (a), clause (1) (certain windshield prohibitions).

Subd. 2. **Secondary offenses.** (a) A peace officer may not stop or detain the operator of a motor vehicle for a mandatory secondary offense, and may not issue a citation for a mandatory secondary offense, unless:

(1) the officer stopped or detained the operator of the motor vehicle for an otherwise lawful reason; or

(2) the motor vehicle was unoccupied.

(b) This subdivision does not apply to vehicles that are required to comply with the equipment standards in chapter 221.

Subd. 3. **Presumptive secondary offenses.** (a) A peace officer may not stop or detain the operator of a motor vehicle for a presumptive secondary offense, and may not issue a citation for a presumptive secondary offense, unless:

(1) the officer stopped or detained the operator of the motor vehicle for an otherwise lawful reason;

(2) the motor vehicle was unoccupied; or

(3) as otherwise provided for in this subdivision.

(b) A peace officer may stop or detain an operator of a motor vehicle for a presumptive secondary offense when the officer has reasonable and articulable suspicion that the operator has committed a presumptive secondary offense and any of the following circumstances exist:

(1) the operator is in violation of section 169.47, subdivision 1, paragraph (a) (unsafe equipment), in a manner that creates a dangerous condition;

(2) the operator is in violation of section 169.49 (headlamps); 169.50, subdivision 1, paragraph (b) (tail lamps); 169.55, subdivision 1 (lamps required); or 169.63, paragraph (a) (use of headlamps), and none of the headlamps are functioning or none of the tail lamps are functioning;

(3) the operator is in violation of section 169.50, subdivision 2 (license plate illumination), and the license plate is not legible from a distance of 50 feet to the rear;

(4) the operator is in violation of section 169.57, subdivision 1, paragraph (a) (stop lamps), and none of the vehicle's stop lamps are functioning; or

(5) the operator is in violation of section 169.71, subdivision 1, paragraph (a), clause (1) (certain windshield prohibitions), and the violation creates an imminent threat to human life.

(c) This subdivision does not apply to vehicles that are required to comply with the equipment standards in chapter 221.

Subd. 4. **Warning letter.** If an officer does not have grounds to stop a vehicle or detain the operator of a motor vehicle for a mandatory secondary offense or presumptive secondary offense and the officer can identify the owner of the vehicle, the officer's agency is encouraged to send a letter to the owner of the vehicle identifying the violation and instructing the owner to correct the defect or otherwise remedy the violation.

Sec. 4. Minnesota Statutes 2020, section 214.10, subdivision 11, is amended to read:

Subd. 11. **Board of Peace Officers Standards and Training; reasonable grounds determination.** (a) After the investigation is complete, the executive director shall convene at least a ~~three-member~~ four-member committee of the board to determine if the complaint constitutes reasonable grounds to believe that a violation within the board's enforcement jurisdiction has occurred. In conformance with section 626.843, subdivision 1b, at least ~~two~~ three members of the committee must be voting board members who are peace officers and one member of the committee must be a voting board member appointed from the general public. No later than 30 days before the committee meets, the executive director shall give the licensee who is the subject of the complaint and the complainant written notice of the meeting. The executive director shall also give the licensee a copy of the complaint. Before making its determination, the committee shall give the complaining party and the licensee who is the subject of the complaint a reasonable opportunity to be heard.

(b) The committee shall, by majority vote, after considering the information supplied by the investigating agency and any additional information supplied by the complainant or the licensee who is the subject of the complaint, take one of the following actions:

(1) find that reasonable grounds exist to believe that a violation within the board's enforcement jurisdiction has occurred and order that an administrative hearing be held;

(2) decide that no further action is warranted; or

(3) continue the matter.

The executive director shall promptly give notice of the committee's action to the complainant and the licensee.

(c) If the committee determines that a complaint does not relate to matters within its enforcement jurisdiction but does relate to matters within another state or local agency's enforcement jurisdiction, it shall refer the complaint to the appropriate agency for disposition.

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

Sec. 5. Minnesota Statutes 2020, section 244.09, subdivision 6, is amended to read:

Subd. 6. **Clearinghouse and information center.** The commission, in addition to establishing Sentencing Guidelines, shall serve as a clearinghouse and information center for the collection, preparation, analysis and dissemination of information on state and local sentencing and probation practices, and shall conduct ongoing research regarding Sentencing Guidelines, use of imprisonment and alternatives to imprisonment, probation terms, conditions of probation, probation revocations, plea bargaining, recidivism, and other matters relating to the improvement of the criminal justice system. The commission shall from time to time make recommendations to the legislature regarding changes in the Criminal Code, criminal procedures, and other aspects of sentencing and probation.

This information shall include information regarding the impact of statutory changes to the state's criminal laws related to controlled substances, including those changes enacted by the legislature in Laws 2016, chapter 160.

Sec. 6. Minnesota Statutes 2020, section 626.14, is amended to read:

626.14 TIME AND MANNER OF SERVICE; NO-KNOCK SEARCH WARRANTS.

Subdivision 1. **Time.** A search warrant may be served only between the hours of 7:00 a.m. and 8:00 p.m. unless the court determines on the basis of facts stated in the affidavits that a nighttime search outside those hours is necessary to prevent the loss, destruction, or removal of the objects of the search or to protect the searchers or the public. The search warrant shall state that it may be served only between the hours of 7:00 a.m. and 8:00 p.m. unless a nighttime search outside those hours is authorized.

Subd. 2. **Definition.** For the purposes of this section, "no-knock search warrant" means a search warrant authorizing peace officers to enter certain premises without first knocking and announcing the officer's presence or purpose prior to entering the premises. No-knock search warrants may also be referred to as dynamic entry warrants.

Subd. 3. **Requirements for a no-knock search warrant.** No peace officer shall seek a no-knock search warrant unless the warrant application includes at a minimum:

(1) all documentation and materials the issuing court requires; and

(2) a sworn affidavit as provided in section 626.08.

Subd. 4. **Warrant application form.** (a) A law enforcement agency shall develop a warrant application form. A completed warrant application form shall accompany every request for a no-knock search warrant.

(b) The warrant application form must be completed, signed, and dated by the peace officer seeking the no-knock search warrant.

(c) Each warrant application must explain, in detailed terms, the following:

(1) why peace officers are unable to detain the suspect or search the residence using less invasive means or methods;

(2) what investigative activities have taken place to support issuance of the no-knock search warrant, or why no investigative activity is needed; and

(3) whether the warrant can be effectively executed during daylight hours according to subdivision 1.

(d) The chief law enforcement officer or designee and the supervising officer must review each warrant application form. If the chief law enforcement officer or designee or commanding officer is unavailable, the direct superior officer shall review the materials.

(e) The warrant application form shall contain a certification of review section. The form shall provide that, by executing the certification, the individual signing the form has reviewed its contents and approves the request for a no-knock search warrant. The chief law enforcement officer or designee and the commanding officer, or the direct superior officer, must each sign, date, and indicate the time of the certification.

(f) Under no circumstance shall a no-knock search warrant be issued when the only crime alleged is drug possession.

Subd. 5. **Reporting requirements regarding no-knock search warrants.** (a) Law enforcement agencies shall report to the commissioner of public safety regarding the use of no-knock search warrants. An agency must report the use of a no-knock search warrant to the commissioner no later than three months after the date the warrant was issued. The report shall include the following information:

(1) the number of no-knock search warrants requested;

(2) the number of no-knock search warrants the court issued;

(3) the number of no-knock search warrants executed; and

(4) the number of injuries and fatalities suffered, if any, by peace officers and by civilians in the execution of no-knock search warrants.

(b) The commissioner of public safety shall report the information provided under paragraph (a) annually to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety.

Sec. 7. Minnesota Statutes 2020, section 626.5531, subdivision 1, is amended to read:

Subdivision 1. **Reports required.** A peace officer must report to the head of the officer's department every violation of chapter 609 or a local criminal ordinance if the officer has reason to believe, or if the victim alleges, that the offender was motivated to commit the act ~~by~~ in whole or in part because of the victim's actual or perceived race, color, ethnicity, religion, ~~national origin,~~ sex, gender, sexual orientation, gender identity, gender expression, age, national origin, or disability as defined in section 363A.03, or ~~characteristics identified as sexual orientation~~ because of the victim's actual or perceived association with another person or group of a certain actual or perceived race, color, ethnicity, religion, sex, gender, sexual orientation, gender identity, gender expression, age, national origin, or disability as defined in section 363A.03. The superintendent of the Bureau of Criminal Apprehension shall adopt a reporting form to be used by law enforcement agencies in making the reports required under this section. The reports must include for each incident all of the following:

(1) the date of the offense;

(2) the location of the offense;

(3) whether the target of the incident is a person, private property, or public property;

(4) the crime committed;

(5) the type of bias and information about the offender and the victim that is relevant to that bias;

(6) any organized group involved in the incident;

(7) the disposition of the case;

(8) whether the determination that the offense was motivated by bias was based on the officer's reasonable belief or on the victim's allegation; and

(9) any additional information the superintendent deems necessary for the acquisition of accurate and relevant data.

Sec. 8. Minnesota Statutes 2020, section 626.842, subdivision 2, is amended to read:

Subd. 2. **Terms, compensation, removal, filling of vacancies.** The membership terms, compensation, removal of members and the filling of vacancies for members appointed pursuant to section 626.841~~, clauses (1), (2), (4), and (5) on the board~~; the provision of staff, administrative services and office space; the review and processing of complaints; the setting of fees; and other matters relating to board operations shall be as provided in chapter 214.

Sec. 9. Minnesota Statutes 2020, section 626.8435, is amended to read:

626.8435 ~~ENSURING POLICE EXCELLENCE AND IMPROVING COMMUNITY RELATIONS ADVISORY~~ PEACE OFFICER STANDARDS AND TRAINING BOARD CITIZEN'S COUNCIL.

Subdivision 1. **Establishment and membership.** The ~~Ensuring Police Excellence and Improving Community Relations Advisory~~ Peace Officer Standards and Training Board Citizen's Council is established under the Peace Officer Standards and Training Board. The council consists of the following 15 members:

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

(2) the executive director of the Peace Officer Standards and Training Board, or a designee;

(3) the executive director of the Minnesota Police and Peace Officers Association, or a designee;

(4) the executive director of the Minnesota Sheriffs' Association, or a designee;

(5) the executive director of the Minnesota Chiefs of Police Association, or a designee;

(6) six community members, of which:

(i) four members shall represent the community-specific boards established under ~~section 257.0768~~ sections 15.0145 and 3.922, reflecting one appointment made by each board;

(ii) one member shall be a mental health advocate and shall be appointed by the Minnesota chapter of the National Alliance on Mental Illness; and

(iii) one member shall be an advocate for victims and shall be appointed by Violence Free Minnesota; and

(7) four members appointed by the legislature, of which one shall be appointed by the speaker of the house, one by the house minority leader, one by the senate majority leader, and one by the senate minority leader.

The appointing authorities shall make their appointments by September 15, 2020, and shall ensure geographical balance when making appointments.

Subd. 2. **Purpose and duties.** (a) The purpose of the council is to assist the board in maintaining policies and regulating peace officers in a manner that ensures the protection of civil and human rights. The council shall provide for citizen involvement in policing policies, regulations, and supervision. The council shall advance policies and reforms that promote positive interactions between peace officers and the community.

(b) The board chair must place the council's recommendations to the board on the board's agenda within four months of receiving a recommendation from the council.

Subd. 3. **Organization.** The council shall be organized and administered under section 15.059, except that the council does not expire. Council members serve at the pleasure of the appointing authority. The council shall select a chairperson from among the members by majority vote at its first meeting. The executive director of the board shall serve as the council's executive secretary.

Subd. 4. **Meetings.** The council must meet at least quarterly. Meetings of the council are governed by chapter 13D. The executive director of the Peace Officer Standards and Training Board shall convene the council's first meeting, which must occur by October 15, 2020.

Subd. 5. **Office support.** The executive director of the Peace Officer Standards and Training Board shall provide the council with the necessary office space, supplies, equipment, and clerical support to effectively perform the duties imposed.

Subd. 6. **Reports.** The council shall submit a report by February 15 of each year to the chairs and ranking minority members of the senate and house of representatives committees and divisions having jurisdiction over criminal justice policy and the board. At a minimum, the report shall include:

(1) all recommendations presented to the board and how the board acted on those recommendations;

(2) recommendations for statutory reform or legislative initiatives intended to promote police-community relations; and

(3) updates on the council's review and determinations.

Sec. 10. Minnesota Statutes 2020, section 626.845, subdivision 3, is amended to read:

Subd. 3. **Peace officer data.** The board, in consultation with the Minnesota Chiefs of Police Association, Minnesota Sheriffs' Association, and Minnesota Police and Peace Officers Association, shall create a central repository for peace officer data ~~designated as public data under chapter 13~~. The database shall be designed to receive, in real time, the ~~public~~ data required to be submitted to the board by law enforcement agencies in section 626.8457, subdivision 3, paragraph (b). To ensure the anonymity of individuals, the database must use encrypted data to track information transmitted on individual peace officers.

Sec. 11. Minnesota Statutes 2020, section 626.8451, subdivision 1, is amended to read:

Subdivision 1. **Training course; crimes motivated by bias.** (a) The board must ~~prepare a~~ approve a list of training ~~course~~ courses to assist peace officers in identifying ~~and~~, responding to, and reporting crimes motivated ~~by~~ in whole or in part because of the victim's or another's actual or perceived race, color, ethnicity, religion, ~~national origin,~~ sex, gender, sexual orientation, gender identity, gender expression, age, national origin, or disability as defined in section 363A.03, or ~~characteristics identified as sexual orientation~~ because of the victim's actual or perceived association with another person or group of a certain actual or perceived race, color, ethnicity, religion, sex, gender, sexual orientation, gender identity, gender expression, age, national origin, or disability as defined in section 363A.03. The course must include material to help officers distinguish bias crimes from other crimes, to help officers in understanding and assisting victims of these crimes, and to ensure that bias crimes will be accurately reported as required under section 626.5531. The ~~course must be updated periodically~~ board must review the approved courses every three years and update the list of approved courses as the board, in consultation with the commissioner of human rights, considers appropriate.

(b) In updating the list of approved training courses described in paragraph (a), the board must consult and secure approval from the commissioner of human rights.

Sec. 12. Minnesota Statutes 2020, section 626.8457, subdivision 3, is amended to read:

Subd. 3. **Report on alleged misconduct; database; report.** (a) A chief law enforcement officer shall report annually to the board summary data regarding the investigation and disposition of cases involving alleged misconduct, indicating the total number of investigations, the total number by each subject matter, the number dismissed as unfounded, and the number dismissed on grounds that the allegation was unsubstantiated.

(b) Beginning July 1, 2021, a chief law enforcement officer, in real time, must submit individual peace officer data classified as public data on individuals, as defined by section 13.02, subdivision 15, or private data on individuals, as defined by section 13.02, subdivision 12, and submitted using encrypted data that the board determines is necessary to:

(1) evaluate the effectiveness of statutorily required training;

(2) assist the ~~Ensuring Police Excellence and Improving Community Relations Advisory~~ Peace Officer Standards and Training Board Citizen's Council in accomplishing the council's duties; and

(3) allow for the board, the ~~Ensuring Police Excellence and Improving Community Relations Advisory~~ Peace Officer Standards and Training Board Citizen's Council, and the board's complaint investigation committee to identify patterns of behavior that suggest an officer is in crisis or is likely to violate a board-mandated model policy.

(c) The reporting obligation in paragraph (b) is ongoing. A chief law enforcement officer must update data within 30 days of final disposition of a complaint or investigation.

(d) Law enforcement agencies and political subdivisions are prohibited from entering into a confidentiality agreement that would prevent disclosure of the data identified in paragraph (b) to the board. Any such confidentiality agreement is void as to the requirements of this section.

(e) By February 1 of each year, the board shall prepare a report that contains summary data provided under paragraph (b). The board must post the report on its publicly accessible website and provide a copy to the chairs and ranking minority members of the senate and house of representatives committees and divisions having jurisdiction over criminal justice policy.

(f) For purposes of identifying potential patterns and trends in police misconduct and determining training needs and the purpose of the database outlined in paragraph (b), the board shall adopt rules including but not limited to:

(1) creating detailed classifications of peace officer complaints and discipline by conduct type and severity for formal signed complaints;

(2) establishing definitions for the following terms, including but not limited to formal complaint, discipline action, coaching, and retraining; and

(3) directing annual reporting by each chief law enforcement officer of the number and types of complaints:

(i) received by the law enforcement agency, including but not limited to complaints involving chief law enforcement officers;

(ii) initiated by action of the agency and resulting in investigation;

(iii) resulting in formal discipline, including but not limited to verbal and written reprimand, suspension, or demotion, excluding termination;

(iv) resulting in termination;

(v) that are formal and result in coaching or retraining; and

(vi) for each officer in the agency's employ, and whether the complaint and investigation resulted in final discipline.

Sec. 13. Minnesota Statutes 2020, section 626.8459, is amended to read:

626.8459 POST BOARD; COMPLIANCE REVIEWS REQUIRED.

Subdivision 1. **Annual reviews; scope.** ~~(a)~~ Each year, the board shall conduct compliance reviews on all state and local law enforcement agencies. The compliance reviews must ensure that the agencies are complying with all requirements imposed on them by statute and rule. The board shall update its procedures governing compliance reviews to update, among other items, its assessment of the following data points, and evaluation of the policies and practices that contribute to the following:

(1) the effectiveness of required in-service training and adherence to model policies which are to include an assessment and self-response survey where subjects explain the state of the following:

(i) the number of use of force incidents per office and officers;

(ii) the rate of arrests and stops involving minorities compared to that of their white counterparts within the same jurisdiction, if data is available;

(iii) the number of emergency holds requested by officers; and

(iv) other categorical metrics as deemed necessary by the board;

(2) the agency's investigations of complaints the board refers to the agency pursuant to section 214.10, subdivision 10, and how the chief law enforcement officer holds officers accountable for violations of statutory requirements imposed on peace officers, applicable standards of conduct, board-mandated model policies, and agency-established policies; and

(3) the on and off duty conduct of officers employed by the agency to determine if the officers' conduct is adversely affecting public respect and trust of law enforcement.

Subd. 2. **Discovery; subpoenas.** For the purpose of compliance reviews under this section, the board or director may exercise the discovery and subpoena authority granted to the board under section 214.10, subdivision 3.

Subd. 3. **Reports required.** The board shall include in the reports to the legislature required in section 626.843, subdivision 4, detailed information on the compliance reviews conducted under this section. At a minimum, the reports must specify each requirement imposed by statute and rule on law enforcement agencies, the compliance rate of each agency, a summary of the investigation of matters listed in subdivision 1, clause (1), items (i) to (iv), and the action taken by the board, if any, against an agency not in compliance.

Subd. 4. **Licensing sanctions authorized.** ~~(b)~~ The board may impose licensing sanctions and seek injunctive relief under section 214.11 for an agency's failure to comply with a requirement imposed on it in statute or rule.

Sec. 14. Minnesota Statutes 2020, section 626.8469, subdivision 1, is amended to read:

Subdivision 1. **In-service training required.** (a) Beginning July 1, 2018, the chief law enforcement officer of every state and local law enforcement agency shall provide in-service training in crisis intervention and mental illness crises; conflict management and mediation; ~~and~~ recognizing and valuing community diversity and cultural differences to include implicit bias training; and training to assist peace officers in identifying, responding to, and reporting crimes committed in whole or in part because of the victim's actual or perceived race, religion, national origin, sex, age, disability, or characteristics identified as sexual orientation to every peace officer and part-time peace officer employed by the agency. The training shall comply with learning objectives developed and approved by the board and shall meet board requirements for board-approved continuing education credit. Every three years the board shall review the learning objectives and must consult and collaborate with the commissioner of human rights in identifying appropriate objectives and training courses related to identifying, responding to, and reporting crimes committed in whole or in part because of the victim's or another's actual or perceived race, color, ethnicity, religion, national origin, sex, gender, sexual orientation, gender identity, gender expression, age, national origin, or disability as defined in section 363A.03, or characteristics identified as sexual orientation because of the victim's actual or perceived association with another person or group of a certain actual or perceived race, color, ethnicity, religion, sex, gender, sexual orientation, gender identity, gender expression, age, national origin, or disability as defined in section 363A.03. The training shall consist of at least 16 continuing education credits within an officer's three-year licensing cycle. Each peace officer with a license renewal date after June 30, 2018, is not required to complete this training until the officer's next full three-year licensing cycle.

(b) Beginning July 1, 2021, the training mandated under paragraph (a) must be provided by an approved entity. The board shall create a list of approved entities and training courses and make the list available to the chief law enforcement officer of every state and local law enforcement agency. Each peace officer (1) with a license renewal date before June 30, 2022, and (2) who received the training mandated under paragraph (a) before July 1, 2021, is not required to receive this training by an approved entity until the officer's next full three-year licensing cycle.

(c) For every peace officer and part-time peace officer with a license renewal date of June 30, 2022, or later, the training mandated under paragraph (a) must:

(1) include a minimum of six hours for crisis intervention and mental illness crisis training that meets the standards established in subdivision 1a; and

(2) include a minimum of four hours to ensure safer interactions between peace officers and persons with autism in compliance with section 626.8474.

Sec. 15. Minnesota Statutes 2020, section 626.8469, is amended by adding a subdivision to read:

Subd. 1b. **Crisis intervention and mental illness crisis training; dementia and Alzheimer's.** The board, in consultation with stakeholders, including but not limited to the Minnesota Crisis Intervention Team and the Alzheimer's Association, shall create a list of approved entities and training courses primarily focused on issues associated with persons with dementia and Alzheimer's disease. To receive the board's approval, a training course must:

(1) have trainers with at least two years of direct care of a person with Alzheimer's disease or dementia, crisis intervention training, and mental health experience;

(2) cover techniques for responding to and issues associated with persons with dementia and Alzheimer's disease, including at a minimum wandering, driving, abuse, and neglect; and

(3) meet the crisis intervention and mental illness crisis training standards established in subdivision 1a.

Sec. 16. Minnesota Statutes 2020, section 626.8473, subdivision 3, is amended to read:

Subd. 3. **Written policies and procedures required.** (a) The chief officer of every state and local law enforcement agency that uses or proposes to use a portable recording system must establish and enforce a written policy governing its use. In developing and adopting the policy, the law enforcement agency must provide for public comment and input as provided in subdivision 2. Use of a portable recording system without adoption of a written policy meeting the requirements of this section is prohibited. The written policy must be posted on the agency's website, if the agency has a website.

(b) At a minimum, the written policy must incorporate the following:

(1) the requirements of section 13.825 and other data classifications, access procedures, retention policies, and data security safeguards that, at a minimum, meet the requirements of chapter 13 and other applicable law. The policy must prohibit altering, erasing, or destroying any recording made with a peace officer's portable recording system or data and metadata related to the recording prior to the expiration of the applicable retention period under section 13.825, subdivision 3, except that the full, unedited and unredacted recording of a peace officer using deadly force must be maintained indefinitely;

(2) mandate that a deceased individual's next of kin, legal representative of the next of kin, or other parent of the deceased individual's children be entitled to view any and all recordings from a peace officer's portable recording system, redacted no more than what is required by law, of an officer's use of deadly force no later than 48 hours after

an incident where deadly force used by a peace officer results in death of an individual, except that a chief law enforcement officer may deny a request if investigators can articulate a compelling reason as to why allowing the deceased individual's next of kin, legal representative of the next of kin, or other parent of the deceased individual's children to review the recordings would interfere with the agency conducting a thorough investigation. If the chief law enforcement officer denies a request under this provision, the agency's policy must require the chief law enforcement officer to issue a prompt, written denial and provide notice to the deceased individual's next of kin, legal representative of the next of kin, or other parent of the deceased individual's children that they may seek relief from the district court;

(3) mandate release of all recordings of an incident where a peace officer used deadly force and an individual dies to the deceased individual's next of kin, legal representative of the next of kin, and other parent of the deceased individual's children no later than 90 days after the incident;

(4) procedures for testing the portable recording system to ensure adequate functioning;

~~(3)~~ (5) procedures to address a system malfunction or failure, including requirements for documentation by the officer using the system at the time of a malfunction or failure;

~~(4)~~ (6) circumstances under which recording is mandatory, prohibited, or at the discretion of the officer using the system;

~~(5)~~ (7) circumstances under which a data subject must be given notice of a recording;

~~(6)~~ (8) circumstances under which a recording may be ended while an investigation, response, or incident is ongoing;

~~(7)~~ (9) procedures for the secure storage of portable recording system data and the creation of backup copies of the data; and

~~(8)~~ (10) procedures to ensure compliance and address violations of the policy, which must include, at a minimum, supervisory or internal audits and reviews, and the employee discipline standards for unauthorized access to data contained in section 13.09.

Sec. 17. Minnesota Statutes 2020, section 626.8475, is amended to read:

626.8475 DUTY TO INTERCEDE AND REPORT.

(a) Regardless of tenure or rank, a peace officer must intercede when:

(1) present and observing another peace officer using force in violation of section 609.066, subdivision 2, or otherwise beyond that which is objectively reasonable under the circumstances; and

(2) physically or verbally able to do so.

(b) A peace officer who observes another employee or peace officer use force that exceeds the degree of force permitted by law has the duty to report the incident in writing within 24 hours to the chief law enforcement officer of the agency that employs the reporting peace officer. A chief law enforcement officer who receives a report under this section must report the incident to the board on the form adopted by the board pursuant to paragraph (d).

(c) A peace officer who breaches a duty established in this subdivision is subject to discipline by the board under Minnesota Rules, part 6700.1600.

(d) The board shall adopt a reporting form to be used by law enforcement agencies in making the reports required under this section. The reports must include for each incident all of the following:

(1) the name of the officer accused of using excessive force;

(2) the date of the incident;

(3) the location of the incident;

(4) the name of the person who was subjected to excessive force, if known; and

(5) a description of the force used in the incident.

Reports received by the board are licensing data governed by section 13.41.

(e) A peace officer who breaches a duty established in this section is subject to discipline by the board under Minnesota Rules, part 6700.1600.

Sec. 18. **[626.8476] CONFIDENTIAL INFORMANTS; REQUIRED POLICY AND TRAINING.**

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

(b) "Confidential informant" means a person who cooperates with a law enforcement agency confidentially in order to protect the person or the agency's intelligence gathering or investigative efforts and:

(1) seeks to avoid arrest or prosecution for a crime, mitigate punishment for a crime in which a sentence will be or has been imposed, or receive a monetary or other benefit; and

(2) is able, by reason of the person's familiarity or close association with suspected criminals, to:

(i) make a controlled buy or controlled sale of contraband, controlled substances, or other items that are material to a criminal investigation;

(ii) supply regular or constant information about suspected or actual criminal activities to a law enforcement agency; or

(iii) otherwise provide information important to ongoing criminal intelligence gathering or criminal investigative efforts.

(c) "Controlled buy" means the purchase of contraband, controlled substances, or other items that are material to a criminal investigation from a target offender that is initiated, managed, overseen, or participated in by law enforcement personnel with the knowledge of a confidential informant.

(d) "Controlled sale" means the sale of contraband, controlled substances, or other items that are material to a criminal investigation to a target offender that is initiated, managed, overseen, or participated in by law enforcement personnel with the knowledge of a confidential informant.

(e) "Mental harm" means a psychological injury that is not necessarily permanent but results in visibly demonstrable manifestations of a disorder of thought or mood that impairs a person's judgment or behavior.

(f) "Target offender" means the person suspected by law enforcement personnel to be implicated in criminal acts by the activities of a confidential informant.

Subd. 2. **Model policy.** (a) By January 1, 2022, the board shall adopt a model policy addressing the use of confidential informants by law enforcement. The model policy must establish policies and procedures for the recruitment, control, and use of confidential informants. In developing the policy, the board shall consult with representatives of the Bureau of Criminal Apprehension, Minnesota Police Chiefs Association, Minnesota Sheriff's Association, Minnesota Police and Peace Officers Association, Minnesota County Attorneys Association, treatment centers for substance abuse, and mental health organizations. The model policy must include, at a minimum, the following:

(1) information that the law enforcement agency shall maintain about each confidential informant that must include, at a minimum, an emergency contact for the informant in the event of the informant's physical or mental harm or death;

(2) a process to advise a confidential informant of conditions, restrictions, and procedures associated with participating in the agency's investigative or intelligence gathering activities;

(3) procedures for compensation to an informant that is commensurate with the value of the services and information provided and based on the level of the targeted offender, the amount of any seizure, and the significance of contributions made by the informant;

(4) designated supervisory or command-level review and oversight in the use of a confidential informant;

(5) consultation with the informant's probation, parole, or supervised release agent, if any;

(6) limits or restrictions on off-duty association or social relationships by law enforcement agency personnel with a confidential informant;

(7) limits or restrictions on the potential exclusion of an informant from engaging in a controlled buy or sale of a controlled substance if the informant is known by the law enforcement agency to: (i) be receiving in-patient or out-patient treatment administered by a licensed service provider for substance abuse; (ii) be participating in a treatment-based drug court program; or (iii) have experienced a drug overdose within the past year;

(8) exclusion of an informant under the age of 18 years from participating in a controlled buy or sale of a controlled substance without the written consent of a parent or legal guardian, except that the informant may provide confidential information to a law enforcement agency;

(9) consideration of an informant's diagnosis of mental illness, substance abuse, or disability, and history of mental illness, substance abuse, or disability;

(10) guidelines for the law enforcement agency to consider if the agency decides to establish a procedure to request an advocate from the county social services agency for an informant if the informant is an addict in recovery or possesses a physical or mental infirmity or other physical, mental, or emotional dysfunction that impairs the informant's ability to understand instructions and make informed decisions, where the agency determines this process does not place the informant in any danger;

(11) guidelines for the law enforcement agency to use to encourage prospective and current confidential informants who are known to be substance abusers or to be at risk for substance abuse to seek prevention or treatment services;

(12) reasonable protective measures for a confidential informant when law enforcement knows or should have known of a risk or threat of harm to a person serving as a confidential informant and the risk or threat of harm is a result of the informant's service to the law enforcement agency;

(13) guidelines for the training and briefing of a confidential informant;

(14) reasonable procedures to help protect the identity of a confidential informant during the time the person is acting as an informant;

(15) procedures to deactivate a confidential informant that maintain the safety and anonymity of the informant;

(16) optional procedures that the law enforcement agency may adopt relating to deactivated confidential informants to offer and provide assistance to them with physical, mental, or emotional health services;

(17) a process to evaluate and report the criminal history and propensity for violence of any target offenders; and

(18) guidelines for a written agreement between the confidential informant and the law enforcement agency that take into consideration, at a minimum, an informant's physical or mental infirmity or other physical, mental, or emotional dysfunction that impairs the informant's ability to knowingly contract or otherwise protect the informant's self-interest.

(b) The board shall annually review and, as necessary, revise the model confidential informant policy in collaboration with representatives from the organizations listed under paragraph (a).

Subd. 3. **Agency policies required.** (a) The chief law enforcement officer of every state and local law enforcement agency must establish and enforce a written policy governing the use of confidential informants. The policy must be identical or, at a minimum, substantially similar to the new or revised model policy adopted by the board under subdivision 2.

(b) Every state and local law enforcement agency must certify annually to the board that it has adopted a written policy in compliance with the board's model confidential informant policy.

(c) The board shall assist the chief law enforcement officer of each state and local law enforcement agency in developing and implementing confidential informant policies under this subdivision.

Subd. 4. **Required in-service training.** The chief law enforcement officer of every state and local law enforcement agency shall provide in-service training in the recruitment, control, and use of confidential informants to every peace officer and part-time peace officer employed by the agency who the chief law enforcement officer determines is involved in working with confidential informants given the officer's responsibilities. The training shall comply with learning objectives based on the policies and procedures of the model policy developed and approved by the board.

Subd. 5. **Compliance reviews.** The board has the authority to inspect state and local agency policies to ensure compliance with this section. The board may conduct the inspection based upon a complaint it receives about a particular agency or through a random selection process.

Subd. 6. **Licensing sanctions; injunctive relief.** The board may impose licensing sanctions and seek injunctive relief under section 214.11 for failure to comply with the requirements of this section.

Subd. 7. **Title.** This section shall be known as "Matthew's Law."

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

Sec. 19. **[626.8477] INVESTIGATING HUMAN TRAFFICKING CASES; POLICIES REQUIRED.**

Subdivision 1. **Model policy required.** By December 15, 2021, the board, in consultation with the statewide human trafficking investigation coordinator defined in section 299A.873, as well as other interested parties including the Bureau of Criminal Apprehension, the Human Trafficking Investigators Task Force, representatives of other sex trafficking task forces, prosecutors, and Minnesota victim advocacy groups, must develop and distribute to all chief law enforcement officers a comprehensive model policy for law enforcement investigations of human trafficking cases, including sex trafficking and labor trafficking, that are victim-centered and takes into account best practices, including the Safe Harbor Protocol Guidelines developed pursuant to legislative appropriation, and ensures a thorough investigation of these cases and that victims are treated respectfully.

Subd. 2. **Agency policies required.** (a) By March 15, 2022, the chief law enforcement officer of every state and local law enforcement agency must establish and enforce a written policy governing the investigation of human trafficking cases within the agency that is identical or substantially similar to the board's model policy described in subdivision 1. The chief law enforcement officer must ensure that each peace officer investigating a human trafficking case follows the agency's policy.

(b) Every state and local law enforcement agency must certify to the board that it has adopted a written policy in compliance with this subdivision.

(c) The board must assist the chief law enforcement officer of each state and local law enforcement agency in developing and implementing policies under this subdivision.

Sec. 20. **[626.8478] PUBLIC ASSEMBLY RESPONSE; POLICIES REQUIRED.**

Subdivision 1. **Model policy required.** By December 15, 2021, the board must develop a comprehensive model policy on responding to public assemblies. The policy must be based on best practices in public assembly response drawn from both domestic and international sources. In developing the policy, the board must consult with representatives of the Bureau of Criminal Apprehension, Minnesota Police Chiefs Association, Minnesota Sheriffs' Association, Minnesota Police and Peace Officers Association, Minnesota County Attorneys Association, a nonprofit that organizes public assemblies, a nonprofit that provides legal services to defend the rights of those who participate in public assemblies, and other interested parties. The board must distribute the model policy to all chief law enforcement officers.

Subd. 2. **Agency policies required.** (a) By March 15, 2022, each chief law enforcement officer must establish and implement a written policy on public assembly response that is identical or substantially similar to the board's model policy described in subdivision 1. The policy shall include specific actions to be taken during a public assembly response.

(b) The board must assist the chief law enforcement officer of each state and local law enforcement agency in developing and implementing policies under this subdivision.

Subd. 3. **Available resources.** If an agency, board, or local representative reviews or updates its policies on public assembly response, it may consider the advice and counsel of nonprofits that organize public assemblies.

Subd. 4. **Compliance reviews authorized.** The board has authority to inspect state and local law enforcement agency policies to ensure compliance with subdivision 2. The board may conduct this inspection based upon a complaint it receives about a particular agency or through a random selection process. The board must conduct a compliance review after any major public safety event. The board may impose licensing sanctions and seek injunctive relief under section 214.11 for an agency's failure to comply with subdivision 2.

Sec. 21. Minnesota Statutes 2020, section 626.89, subdivision 2, is amended to read:

Subd. 2. **Applicability.** The procedures and provisions of this section apply to law enforcement agencies and government units. The procedures and provisions of this section do not apply to:

(1) investigations by civilian review boards, commissions, or other oversight bodies; or

(2) investigations of criminal charges against an officer.

Sec. 22. Minnesota Statutes 2020, section 626.89, subdivision 17, is amended to read:

Subd. 17. **Civilian review.** (a) As used in this subdivision, the following terms have the meanings given them:

(1) "civilian oversight council" means a civilian review board, commission, or other oversight body established by a local unit of government to provide civilian oversight of a law enforcement agency and officers employed by the agency; and

(2) "misconduct" means a violation of law, standards promulgated by the Peace Officer Standards and Training Board, or agency policy.

(b) A local unit of government may establish a civilian ~~review board, commission, or other~~ oversight ~~body shall not have~~ council and grant the council the authority to make a finding of fact or determination regarding a complaint against an officer or impose discipline on an officer. ~~A civilian review board, commission, or other oversight body may make a recommendation regarding the merits of a complaint, however, the recommendation shall be advisory only and shall not be binding on nor limit the authority of the chief law enforcement officer of any unit of government.~~

(c) At the conclusion of any criminal investigation or prosecution, if any, a civilian oversight council may conduct an investigation into allegations of peace officer misconduct and retain an investigator to facilitate an investigation. Subject to other applicable law, a council may subpoena or compel testimony and documents in an investigation. Upon completion of an investigation, a council may make a finding of misconduct and recommend appropriate discipline against peace officers employed by the agency. If the governing body grants a council the authority, the council may impose discipline on peace officers employed by the agency. A council shall submit investigation reports that contain findings of peace officer misconduct to the chief law enforcement officer and the Peace Officer Standards and Training Board's complaint committee. A council may also make policy recommendations to the chief law enforcement officer and the Peace Officer Standards and Training Board.

(d) The chief law enforcement officer of a law enforcement agency under the jurisdiction of a civilian oversight council shall cooperate with the council and facilitate the council's achievement of its goals. However, the officer is under no obligation to agree with individual recommendations of the council and may oppose a recommendation. If the officer fails to implement a recommendation that is within the officer's authority, the officer shall inform the council of the failure along with the officer's underlying reasons.

(e) Peace officer discipline decisions imposed pursuant to the authority granted under this subdivision shall be subject to the applicable grievance procedure established or agreed to under chapter 179A.

(f) Data collected, created, received, maintained, or disseminated by a civilian oversight council related to an investigation of a peace officer are personnel data as defined by section 13.43, subdivision 1, and are governed by that section.

Sec. 23. Minnesota Statutes 2020, section 626.93, is amended by adding a subdivision to read:

Subd. 8. **Exception; Leech Lake Band of Ojibwe.** Notwithstanding any contrary provision in subdivision 3 or 4, the Leech Lake Band of Ojibwe has concurrent jurisdictional authority under this section with the local county sheriff within the geographical boundaries of the band's reservation to enforce state criminal law if the requirements of subdivision 2 are met, regardless of whether a cooperative agreement pursuant to subdivision 4 is entered into.

Sec. 24. Laws 2020, Fifth Special Session chapter 3, article 9, section 6, is amended to read:

Sec. 6. ~~**STATE PATROL TROOPER**~~ **LAW ENFORCEMENT SALARY ~~INCREASE~~ INCREASES.** Notwithstanding any law to the contrary, salary increases shall apply to the following employees whose exclusive representative is the Minnesota Law Enforcement Association:

(1) the commissioner of public safety must increase the salary paid to state patrol troopers, Bureau of Criminal Apprehension agents, and special agents in the gambling enforcement division by 8.4 percent~~.~~;

(2) the commissioner of natural resources must increase the salary paid to conservation officers by 8.4 percent;

(3) the commissioner of corrections must increase the salary paid to fugitive specialists by 8.4 percent; and

(4) the commissioner of commerce must increase the salary paid to commerce insurance fraud specialists by 8.4 percent.

EFFECTIVE DATE. This section is effective retroactively from October 22, 2020.

Sec. 25. **RULEMAKING AUTHORITY.**

The executive director of the Peace Officer Standards and Training Board may adopt rules to carry out the purposes of section 3.

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

Sec. 26. **GRANT PROGRAM FOR PUBLIC SAFETY POLICY AND TRAINING CONSULTANT COSTS.**

(a) The executive director of the Peace Officer Standards and Training Board shall issue grants to law enforcement agencies to provide reimbursement for the expense of retaining a board-approved public safety policy and training consultant.

(b) The Peace Officer Training and Standards Board shall identify a qualified public safety policy and training consultant whose expenses would be eligible for reimbursement under this section. At a minimum, the board must select a consultant who meets the following criteria:

(1) at least 15 years of experience developing and implementing law enforcement policy and developing and leading law enforcement training;

(2) proven experience in developing both local and statewide law enforcement policies that incorporate current statutory and judicial standards, academic research, and best practices in policing;

(3) proven experience in successfully assisting law enforcement agencies to implement policing reforms; and

(4) proven experience in providing measurable value-added to clients for a competitive fee.

(c) The executive director shall give priority to agencies that do not have a contract with the consultant selected by the board under paragraph (b). If there are insufficient funds to fully reimburse each eligible grant applicant, the executive director shall provide a pro rata share of funds appropriated for this purpose to each eligible law enforcement agency based on the number of peace officers employed by the agency.

Sec. 27. **PEACE OFFICER STANDARDS OF CONDUCT; WHITE SUPREMACIST AFFILIATION AND SUPPORT PROHIBITED.**

(a) The Peace Officer Standards and Training Board must revise the peace officer standards of conduct that the board is mandated to publish and update under Minnesota Statutes, section 626.843, subdivision 1, clause (6), to prohibit peace officers from affiliating with, supporting, or advocating for white supremacist groups, causes, or ideologies or participation in, or active promotion of, an international or domestic extremist group that the Federal Bureau of Investigation has determined supports or encourages illegal, violent conduct.

(b) For purposes of this section, white supremacist groups, causes, or ideologies include organizations and associations and ideologies that: promote white supremacy and the idea that white people are superior to Black, Indigenous, and people of color (BIPOC), promote religious and racial bigotry, or seek to exacerbate racial and ethnic tensions between BIPOC and non-BIPOC or engage in patently hateful and inflammatory speech, intimidation, and violence against BIPOC as means of promoting white supremacy.

ARTICLE 11
CORRECTIONS AND COMMUNITY SUPERVISION

Section 1. Minnesota Statutes 2020, section 152.32, is amended by adding a subdivision to read:

Subd. 4. **Probation; supervised release.** (a) A court shall not prohibit a person from participating in the registry program under sections 152.22 to 152.37 as a condition of probation, parole, pretrial conditional release, or supervised release or revoke a patient's probation, parole, pretrial conditional release, or supervised release or otherwise sanction a patient on probation, parole, pretrial conditional release, or supervised release, nor weigh participation in the registry program, or positive drug test for cannabis components or metabolites by registry participants, or both, as a factor when considering penalties for violations of probation, parole, pretrial conditional release, or supervised release.

(b) The commissioner of corrections, probation agent, or parole officer shall not prohibit a person from participating in the registry program under sections 152.22 to 152.37 as a condition of parole, supervised release, or conditional release or revoke a patient's parole, supervised release, or conditional release or otherwise sanction a patient on parole, supervised release, or conditional release solely for participating in the registry program or for a positive drug test for cannabis components or metabolites.

Sec. 2. Minnesota Statutes 2020, section 171.06, subdivision 3, is amended to read:

Subd. 3. **Contents of application; other information.** (a) An application must:

(1) state the full name, date of birth, sex, and either (i) the residence address of the applicant, or (ii) designated address under section 5B.05;

(2) as may be required by the commissioner, contain a description of the applicant and any other facts pertaining to the applicant, the applicant's driving privileges, and the applicant's ability to operate a motor vehicle with safety;

(3) state:

(i) the applicant's Social Security number; or

(ii) if the applicant does not have a Social Security number and is applying for a Minnesota identification card, instruction permit, or class D provisional or driver's license, that the applicant certifies that the applicant is not eligible for a Social Security number;

(4) contain a notification to the applicant of the availability of a living will/health care directive designation on the license under section 171.07, subdivision 7; and

(5) include a method for the applicant to:

(i) request a veteran designation on the license under section 171.07, subdivision 15, and the driving record under section 171.12, subdivision 5a;

(ii) indicate a desire to make an anatomical gift under paragraph (d);

(iii) as applicable, designate document retention as provided under section 171.12, subdivision 3c; and

(iv) indicate emergency contacts as provided under section 171.12, subdivision 5b.

(b) Applications must be accompanied by satisfactory evidence demonstrating:

(1) identity, date of birth, and any legal name change if applicable; and

(2) for driver's licenses and Minnesota identification cards that meet all requirements of the REAL ID Act:

(i) principal residence address in Minnesota, including application for a change of address, unless the applicant provides a designated address under section 5B.05;

(ii) Social Security number, or related documentation as applicable; and

(iii) lawful status, as defined in Code of Federal Regulations, title 6, section 37.3.

(c) An application for an enhanced driver's license or enhanced identification card must be accompanied by:

(1) satisfactory evidence demonstrating the applicant's full legal name and United States citizenship; and

(2) a photographic identity document.

(d) A valid Department of Corrections or Federal Bureau of Prisons identification card, containing the applicant's full name, date of birth, and photograph issued to the applicant is an acceptable form of proof of identity in an application for an identification card, instruction permit, or driver's license as a secondary document for purposes of Minnesota Rules, part 7410.0400, and successor rules.

Sec. 3. Minnesota Statutes 2020, section 241.01, subdivision 3a, is amended to read:

Subd. 3a. **Commissioner, powers and duties.** The commissioner of corrections has the following powers and duties:

(a) To accept persons committed to the commissioner by the courts of this state for care, custody, and rehabilitation.

(b) To determine the place of confinement of committed persons in a correctional facility or other facility of the Department of Corrections and to prescribe reasonable conditions and rules for their employment, conduct, instruction, and discipline within or outside the facility. After July 1, 2021, the commissioner shall not allow inmates to be housed in facilities that are not owned and operated by the state, a local unit of government, or a group of local units of government. Inmates shall not exercise custodial functions or have authority over other inmates.

(c) To administer the money and property of the department.

(d) To administer, maintain, and inspect all state correctional facilities.

(e) To transfer authorized positions and personnel between state correctional facilities as necessary to properly staff facilities and programs.

(f) To utilize state correctional facilities in the manner deemed to be most efficient and beneficial to accomplish the purposes of this section, but not to close the Minnesota Correctional Facility-Stillwater or the Minnesota Correctional Facility-St. Cloud without legislative approval. The commissioner may place juveniles and adults at the same state minimum security correctional facilities, if there is total separation of and no regular contact between juveniles and adults, except contact incidental to admission, classification, and mental and physical health care.

(g) To organize the department and employ personnel the commissioner deems necessary to discharge the functions of the department, including a chief executive officer for each facility under the commissioner's control who shall serve in the unclassified civil service and may, under the provisions of section 43A.33, be removed only for cause.

(h) To define the duties of these employees and to delegate to them any of the commissioner's powers, duties and responsibilities, subject to the commissioner's control and the conditions the commissioner prescribes.

(i) To annually develop a comprehensive set of goals and objectives designed to clearly establish the priorities of the Department of Corrections. This report shall be submitted to the governor commencing January 1, 1976. The commissioner may establish ad hoc advisory committees.

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

Sec. 4. Minnesota Statutes 2020, section 241.016, is amended to read:

241.016 ANNUAL PERFORMANCE REPORT REQUIRED.

Subdivision 1. ~~**Biennial**~~ **Annual report.** (a) The Department of Corrections shall submit a performance report to the chairs and ranking minority members of the senate and house of representatives committees and divisions having jurisdiction over criminal justice funding by January 15 of each ~~odd-numbered~~ year. The issuance and content of the report must include the following:

(1) department strategic mission, goals, and objectives;

(2) the department-wide per diem, adult facility-specific per diems, and an average per diem, reported in a standard calculated method as outlined in the departmental policies and procedures;

(3) department annual statistics as outlined in the departmental policies and procedures; ~~and~~

(4) information about prison-based mental health programs, including, but not limited to, the availability of these programs, participation rates, and completion rates~~.~~; and

(5) beginning in 2023, a written aggregate of the state correctional facilities security audit group's recommendations based on each security audit and assessment of a state correctional facility and the commissioner's responses to the recommendations.

(b) The department shall maintain recidivism rates for adult facilities on an annual basis. In addition, each year the department shall, on an alternating basis, complete a recidivism analysis of adult facilities, juvenile services, and the community services divisions and include a three-year recidivism analysis in the report described in paragraph (a). The recidivism analysis must: (1) assess education programs, vocational programs, treatment programs, including mental health programs, industry, and employment; and (2) assess statewide re-entry policies and funding, including postrelease treatment, education, training, and supervision. In addition, when reporting recidivism for the department's adult and juvenile facilities, the department shall report on the extent to which offenders it has assessed as chemically dependent commit new offenses, with separate recidivism rates reported for persons completing and not completing the department's treatment programs.

(c) The department shall maintain annual statistics related to the supervision of extended jurisdiction juveniles and include those statistics in the report described in paragraph (a). The statistics must include:

(1) the total number and population demographics of individuals under supervision in adult facilities, juvenile facilities, and the community who were convicted as an extended jurisdiction juvenile;

(2) the number of individuals convicted as an extended jurisdiction juvenile who successfully completed probation in the previous year;

(3) the number of individuals identified in clause (2) for whom the court terminated jurisdiction before the person became 21 years of age pursuant to section 260B.193, subdivision 5;

(4) the number of individuals convicted as an extended jurisdiction juvenile whose sentences were executed; and

(5) the average length of time individuals convicted as an extended jurisdiction juvenile spend on probation.

Sec. 5. Minnesota Statutes 2020, section 241.021, subdivision 1, is amended to read:

Subdivision 1. **Correctional facilities; inspection; licensing.** (a) Except as provided in paragraph (b), the commissioner of corrections shall inspect and license all correctional facilities throughout the state, whether public or private, established and operated for the detention and confinement of persons ~~detained or~~ confined or incarcerated therein according to law except to the extent that they are inspected or licensed by other state regulating agencies. The commissioner shall promulgate pursuant to chapter 14, rules establishing minimum standards for these facilities with respect to their management, operation, physical condition, and the security, safety, health, treatment, and discipline of persons ~~detained or~~ confined or incarcerated therein. ~~Commencing September 1, 1980,~~ These minimum standards shall include but are not limited to specific guidance pertaining to:

(1) screening, appraisal, assessment, and treatment for persons confined or incarcerated in correctional facilities with mental illness or substance use disorders;

(2) a policy on the involuntary administration of medications;

(3) suicide prevention plans and training;

(4) verification of medications in a timely manner;

(5) well-being checks;

(6) discharge planning, including providing prescribed medications to persons confined or incarcerated in correctional facilities upon release;

(7) a policy on referrals or transfers to medical or mental health care in a noncorrectional institution;

(8) use of segregation and mental health checks;

(9) critical incident debriefings;

(10) clinical management of substance use disorders;

(11) a policy regarding identification of persons with special needs confined or incarcerated in correctional facilities;

(12) a policy regarding the use of telehealth;

(13) self-auditing of compliance with minimum standards;

(14) information sharing with medical personnel and when medical assessment must be facilitated;

(15) a code of conduct policy for facility staff and annual training;

(16) a policy on death review of all circumstances surrounding the death of an individual committed to the custody of the facility; and

(17) dissemination of a rights statement made available to persons confined or incarcerated in licensed correctional facilities.

No individual, corporation, partnership, voluntary association, or other private organization legally responsible for the operation of a correctional facility may operate the facility unless ~~licensed by~~ it possesses a current license from the commissioner of corrections. Private adult correctional facilities shall have the authority of section 624.714, subdivision 13, if the Department of Corrections licenses the facility with ~~such~~ the authority and the facility meets requirements of section 243.52.

The commissioner shall review the correctional facilities described in this subdivision at least once every ~~biennium~~ two years, except as otherwise provided ~~herein~~, to determine compliance with the minimum standards established ~~pursuant~~ according to this subdivision or other law related to minimum standards and conditions of confinement.

The commissioner shall grant a license to any facility found to conform to minimum standards or to any facility which, in the commissioner's judgment, is making satisfactory progress toward substantial conformity and the standards not being met do not impact the interests and well-being of the persons ~~detained or~~ confined ~~therein~~ or incarcerated in the facility ~~are protected~~. A limited license under subdivision 1a may be issued for purposes of effectuating a facility closure. The commissioner may grant licensure up to two years. Unless otherwise specified by statute, all licenses issued under this chapter expire at 12:01 a.m. on the day after the expiration date stated on the license.

The commissioner shall have access to the buildings, grounds, books, records, staff, and to persons ~~detained or~~ confined or incarcerated in these facilities. The commissioner may require the officers in charge of these facilities to furnish all information and statistics the commissioner deems necessary, at a time and place designated by the commissioner.

All facility administrators of correctional facilities defined under subdivision 1g are required to report all deaths of individuals who died while committed to the custody of the facility, regardless of whether the death occurred at the facility or after removal from the facility for medical care stemming from an incident or need for medical care at the correctional facility, as soon as practicable, but no later than 24 hours of receiving knowledge of the death, including any demographic information as required by the commissioner.

All facility administrators of correctional facilities defined under subdivision 1g are required to report all other emergency or unusual occurrences as defined by rule, including uses of force by facility staff that result in substantial bodily harm or suicide attempts, to the commissioner of corrections within ten days from the occurrence, including any demographic information as required by the commissioner. The commissioner of corrections shall consult with the Minnesota Sheriffs' Association and a representative from the Minnesota Association of Community Corrections Act Counties who is responsible for the operations of an adult correctional facility to define "use of force" that results in substantial bodily harm for reporting purposes.

The commissioner may require that any or all such information be provided through the Department of Corrections detention information system. The commissioner shall post each inspection report publicly and on the department's website within 30 days of completing the inspection. The education program offered in a correctional facility for the ~~detention or~~ confinement or incarceration of juvenile offenders must be approved by the commissioner of education before the commissioner of corrections may grant a license to the facility.

(b) For juvenile facilities licensed by the commissioner of human services, the commissioner may inspect and certify programs based on certification standards set forth in Minnesota Rules. For the purpose of this paragraph, "certification" has the meaning given it in section 245A.02.

(c) Any state agency which regulates, inspects, or licenses certain aspects of correctional facilities shall, insofar as is possible, ensure that the minimum standards it requires are substantially the same as those required by other state agencies which regulate, inspect, or license the same aspects of similar types of correctional facilities, although at different correctional facilities.

(d) Nothing in this section shall be construed to limit the commissioner of corrections' authority to promulgate rules establishing standards of eligibility for counties to receive funds under sections 401.01 to 401.16, or to require counties to comply with operating standards the commissioner establishes as a condition precedent for counties to receive that funding.

(e) The department's inspection unit must report directly to a division head outside of the correctional institutions division.

~~(e) When the commissioner finds that any facility described in paragraph (a), except foster care facilities for delinquent children and youth as provided in subdivision 2, does not substantially conform to the minimum standards established by the commissioner and is not making satisfactory progress toward substantial conformance, the commissioner shall promptly notify the chief executive officer and the governing board of the facility of the deficiencies and order that they be remedied within a reasonable period of time. The commissioner may by written order restrict the use of any facility which does not substantially conform to minimum standards to prohibit the detention of any person therein for more than 72 hours at one time. When, after due notice and hearing, the commissioner finds that any facility described in this subdivision, except county jails and lockups as provided in sections 641.26, 642.10, and 642.11, does not conform to minimum standards, or is not making satisfactory progress toward substantial compliance therewith, the commissioner may issue an order revoking the license of that facility. After revocation of its license, that facility shall not be used until its license is renewed. When the commissioner is satisfied that satisfactory progress towards substantial compliance with minimum standard is being made, the commissioner may, at the request of the appropriate officials of the affected facility supported by a written schedule for compliance, grant an extension of time for a period not to exceed one year.~~

~~(f) As used in this subdivision, "correctional facility" means any facility, including a group home, having a residential component, the primary purpose of which is to serve persons placed therein by a court, court services department, parole authority, or other correctional agency having dispositional power over persons charged with, convicted, or adjudicated to be guilty or delinquent.~~

Sec. 6. Minnesota Statutes 2020, section 241.021, is amended by adding a subdivision to read:

Subd. 1a. **Correction order; conditional license.** (a) When the commissioner finds that any facility described in subdivision 1, except foster care facilities for delinquent children and youth as provided in subdivision 2, does not substantially conform to the minimum standards established by the commissioner and is not making satisfactory progress toward substantial conformance and the nonconformance does not present an imminent risk of life-threatening harm or serious physical injury to the persons confined or incarcerated in the facility, the commissioner shall promptly notify the facility administrator and the governing board of the facility of the deficiencies and must issue a correction order or a conditional license order that the deficiencies be remedied within a reasonable and specified period of time.

The conditional license order may restrict the use of any facility which does not substantially conform to minimum standards, including imposition of conditions limiting operation of the facility or parts of the facility, reducing facility capacity, limiting intake, limiting length of detention for individuals, or imposing detention limitations based on the needs of the individuals being confined or incarcerated therein.

The correction order or conditional license order must clearly state the following:

(1) the specific minimum standards violated, noting the implicated rule or law;

(2) the findings that constitute a violation of minimum standards;

(3) the corrective action needed;

(4) time allowed to correct each violation; and

(5) if a license is made conditional, the length and terms of the conditional license, any conditions limiting operation of the facility, and the reasons for making the license conditional.

(b) The facility administrator may request review of the findings noted in the conditional license order on the grounds that satisfactory progress toward substantial compliance with minimum standards has been made, supported by evidence of correction, and, if appropriate, may include a written schedule for compliance. The commissioner shall review the evidence of correction and the progress made toward substantial compliance with minimum standards within a reasonable period of time, not to exceed ten business days. When the commissioner has assurance that satisfactory progress toward substantial compliance with minimum standards is being made, the commissioner shall lift any conditions limiting operation of the facility or parts of the facility or remove the conditional license order.

(c) Nothing in this section prohibits the commissioner from ordering a revocation under subdivision 1b prior to issuing a correction order or conditional license order.

Sec. 7. Minnesota Statutes 2020, section 241.021, is amended by adding a subdivision to read:

Subd. 1b. **License revocation order.** (a) When, after due notice to the facility administrator of the commissioner's intent to issue a revocation order, the commissioner finds that any facility described in this subdivision, except county jails and lockups subject to active condemnation proceedings or orders as provided in

sections 641.26, 642.10, and 642.11, does not conform to minimum standards, or is not making satisfactory progress toward substantial compliance with minimum standards, and the nonconformance does not present an imminent risk of life-threatening harm or serious physical injury to the persons confined or incarcerated in the facility, the commissioner may issue an order revoking the license of that facility.

The notice of intent to issue a revocation order shall include:

(1) the citation to minimum standards that have been violated;

(2) the nature and severity of each violation;

(3) whether the violation is recurring or nonrecurring;

(4) the effect of the violation on persons confined or incarcerated in the correctional facility;

(5) an evaluation of the risk of harm to persons confined or incarcerated in the correctional facility;

(6) relevant facts, conditions, and circumstances concerning the operation of the licensed facility, including at a minimum:

(i) specific facility deficiencies that endanger the health or safety of persons confined or incarcerated in the correctional facility;

(ii) substantiated complaints relating to the correctional facility; or

(iii) any other evidence that the correctional facility is not in compliance with minimum standards.

(b) The facility administrator must submit a written response within 30 days of receipt of the notice of intent to issue a revocation order with any information related to errors in the notice, ability to conform to minimum standards within a set period of time including but not limited to a written schedule for compliance, and any other information the facility administrator deems relevant for consideration by the commissioner. The written response must also include a written plan indicating how the correctional facility will ensure the transfer of confined or incarcerated individuals and records if the correctional facility closes. Plans must specify arrangements the correctional facility will make to transfer confined or incarcerated individuals to another licensed correctional facility for continuation of detention.

(c) When revoking a license, the commissioner shall consider the nature, chronicity, or severity of the violation of law or rule and the effect of the violation on the health, safety, or rights of persons confined or incarcerated in the correctional facility.

(d) If the facility administrator does not respond within 30 days to the notice of intent to issue a revocation order or if the commissioner does not have assurance that satisfactory progress toward substantial compliance with minimum standards will be made, the commissioner shall issue a revocation order. The revocation order must be sent to the facility administrator and the governing board of the facility, clearly stating:

(1) the specific minimum standards violated, noting the implicated rule or law;

(2) the findings that constitute a violation of minimum standards and the nature, chronicity, or severity of those violations;

(3) the corrective action needed;

(4) any prior correction or conditional license orders issued to correct violations; and

(5) the date at which the license revocation shall take place.

A revocation order may authorize use until a certain date, not to exceed the duration of the current license, unless a limited license is issued by the commissioner for purposes of effectuating a facility closure and continued operation does not present an imminent risk of life-threatening harm or is not likely to result in serious physical injury to the persons confined or incarcerated in the facility.

(e) After revocation of the facility's licensure, that facility shall not be used until the license is renewed. When the commissioner is satisfied that satisfactory progress toward substantial compliance with minimum standards is being made, the commissioner may, at the request of the facility administrator supported by a written schedule for compliance, reinstate the license.

Sec. 8. Minnesota Statutes 2020, section 241.021, is amended by adding a subdivision to read:

Subd. 1c. **Temporary license suspension.** The commissioner shall act immediately to temporarily suspend a license issued under this chapter if:

(1) the correctional facility's failure to comply with applicable minimum standards or the conditions in the correctional facility pose an imminent risk of life-threatening harm or serious physical injury to persons confined or incarcerated in the facility, staff, law enforcement, visitors, or the public; and

(i) if the imminent risk of life-threatening harm or serious physical injury cannot be promptly corrected through a different type of order under this section; and

(ii) the correctional facility cannot or has not corrected the violation giving rise to the imminent risk of life-threatening harm or serious physical injury; or

(2) while the correctional facility continues to operate pending due notice and opportunity for written response to the commissioner's notice of intent to issue an order of revocation, the commissioner identifies one or more subsequent violations of minimum standards which may adversely affect the health or safety of persons confined or incarcerated in the facility, staff, law enforcement, visitors, or the public.

A notice stating the reasons for the immediate suspension informing the facility administrator must be delivered by personal service to the correctional facility administrator and the governing board of the facility.

Sec. 9. Minnesota Statutes 2020, section 241.021, is amended by adding a subdivision to read:

Subd. 1d. **Public notice of restriction, revocation, or suspension.** If the license of a facility under this section is revoked or suspended, or use of the facility is restricted for any reason under a conditional license order, the commissioner shall post the facility, the status of the facility's license, and the reason for the restriction, revocation, or suspension publicly and on the department's website.

Sec. 10. Minnesota Statutes 2020, section 241.021, is amended by adding a subdivision to read:

Subd. 1e. **Reconsideration of orders; appeals.** (a) If the facility administrator believes the correction order, conditional license order, or revocation order is in error, the facility administrator may ask the Department of Corrections to reconsider the parts of the order or action that are alleged to be in error. The request for reconsideration must:

(1) be made in writing;

(2) be postmarked and sent to the commissioner no later than 30 calendar days after receipt of the correction order, conditional license order, or revocation order;

(3) specify the parts of the order that are alleged to be in error;

(4) explain why the correction order, conditional license order, or revocation order is in error; and

(5) include documentation to support the allegation of error.

The commissioner shall issue a disposition within 60 days of receipt of the facility administrator's response to correction, conditional license, or revocation order violations. A request for reconsideration does not stay any provisions or requirements of the order.

(b) The facility administrator may request reconsideration of an order immediately suspending a license. The request for reconsideration of an order immediately suspending a license must be made in writing and sent by certified mail, personal service, or other means expressly stated in the commissioner's order. If mailed, the request for reconsideration must be postmarked and sent to the commissioner no later than five business days after the facility administrator receives notice that the license has been immediately suspended. If a request is made by personal service, it must be received by the commissioner no later than five business days after the facility administrator received the order. The request for reconsideration must:

(1) specify the parts of the order that are alleged to be in error;

(2) explain why they are in error; and

(3) include documentation to support the allegation of error.

A facility administrator and the governing board of the facility shall discontinue operation of the correctional facility upon receipt of the commissioner's order to immediately suspend the license.

(c) Within five business days of receipt of the facility administrator's timely request for reconsideration of a temporary immediate suspension, the commissioner shall review the request for reconsideration. The scope of the review shall be limited solely to the issue of whether the temporary immediate suspension order should remain in effect pending the written response to commissioner's notice of intent to issue a revocation order.

The commissioner's disposition of a request for reconsideration of correction, conditional license, temporary immediate suspension, or revocation order is final and subject to appeal. The facility administrator must request reconsideration as required by this section of any correction, conditional license, temporary immediate suspension, or revocation order prior to appeal.

No later than 60 days after the postmark date of the mailed notice of the commissioner's decision on a request for reconsideration, the facility administrator may appeal the decision by filing for a writ of certiorari with the court of appeals under section 606.01 and Minnesota Rules of Civil Appellate Procedure, Rule 115.

Sec. 11. Minnesota Statutes 2020, section 241.021, is amended by adding a subdivision to read:

Subd. 1f. **Report.** By February 15, 2022, and by February 15 each year thereafter, the commissioner of corrections shall report to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over public safety and judiciary on the status of the implementation of the provisions in this section over the prior year, particularly the health and safety of individuals confined or incarcerated in a state correctional facility and a facility licensed by the commissioner. This report shall include but not be limited to data regarding:

(1) the number of confined or incarcerated persons who died while committed to the custody of the facility, regardless of whether the death occurred at the facility or after removal from the facility for medical care stemming from an incident or need for medical care at the correctional facility, including aggregated demographic information and the correctional facilities' most recent inspection reports and any corrective orders or conditional licenses issued;

(2) the aggregated results of the death reviews by facility as required by subdivision 8, including any implemented policy changes;

(3) the number of uses of force by facility staff on persons confined or incarcerated in the correctional facility, including but not limited to whether those uses of force were determined to be justified by the facility, for which the commissioner of corrections shall consult with the Minnesota Sheriffs' Association and a representative from the Minnesota Association of Community Corrections Act Counties who is responsible for the operations of an adult correctional facility to develop criteria for reporting and define reportable uses of force;

(4) the number of suicide attempts, number of people transported to a medical facility, and number of people placed in segregation;

(5) the number of persons committed to the commissioner of corrections' custody that the commissioner is housing in facilities licensed under subdivision 1, including but not limited to:

(i) aggregated demographic data of those individuals;

(ii) length of time spent housed in a licensed correctional facility; and

(iii) any contracts the Department of Corrections has with correctional facilities to provide housing; and

(6) summary data from state correctional facilities regarding complaints involving alleged on-duty staff misconduct, including but not limited to the:

(i) total number of misconduct complaints and investigations;

(ii) total number of complaints by each category of misconduct, as defined by the commissioner of corrections;

(iii) number of allegations dismissed as unfounded;

(iv) number of allegations dismissed on grounds that the allegation was unsubstantiated; and

(v) number of allegations substantiated, any resulting disciplinary action, and the nature of the discipline.

Sec. 12. Minnesota Statutes 2020, section 241.021, is amended by adding a subdivision to read:

Subd. 1g. **Biennial assessment and audit of security practices; state correctional facilities.** (a) Beginning in 2022, the commissioner shall have the department's inspection unit conduct biennial security audits of each state correctional facility using the standards promulgated by the state correctional facilities security audit group. The unit must prepare a report for each assessment and audit and submit the report to the state correctional facilities security audit group within 30 days of completion of the audit.

(b) Corrections and detention confidential data, as defined in section 13.85, subdivision 3, that is contained in reports and records of the group maintain that classification, regardless of the data's classification in the hands of the person who provided the data, and are not subject to discovery or introduction into evidence in a civil or criminal action against the state arising out of the matters the group is reviewing. Information, documents, and records

otherwise available from other sources are not immune from discovery or use in a civil or criminal action solely because they were acquired during the group's audit. This section does not limit a person who presented information to the group or who is a member of the group from testifying about matters within the person's knowledge. However, in a civil or criminal proceeding, a person may not be questioned about the person's good faith presentation of information to the group or opinions formed by the person as a result of the group's audits.

Sec. 13. Minnesota Statutes 2020, section 241.021, is amended by adding a subdivision to read:

Subd. 1h. **State correctional facilities security audit group.** (a) Beginning in fiscal year 2022, the commissioner shall form a state correctional facilities security audit group. The group must consist of the following members:

(1) a department employee who is not assigned to the correctional institutions division, appointed by the commissioner;

(2) the ombudsperson for corrections;

(3) an elected sheriff or designee nominated by the Minnesota Sheriffs Association and appointed by the commissioner;

(4) a physical plant safety consultant, appointed by the governor;

(5) a private security consultant with expertise in correctional facility security, appointed by the governor;

(6) two senators, one appointed by the senate majority leader and one appointed by the minority leader; and

(7) two representatives, one appointed by the speaker of the house and one appointed by the minority leader of the house of representatives.

(b) By January 1, 2022, the group shall establish security audit standards for state correctional facilities. In developing the standards, the group, or individual members of the group, may gather information from state correctional facilities and state correctional staff and inmates. The security audit group must periodically review the standards and modify them as needed. The group must report the standards to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over public safety policy and finance by February 15, 2022.

(c) The group shall review facility audit reports submitted to the group by the agency's inspection unit. Notwithstanding any law to the contrary, the group is entitled to review the full audit reports including corrections and detention confidential data. Within 60 days of receiving an audit report from the department's inspection unit, the group must make recommendations to the commissioner. Within 45 days of receiving the group's recommendations, the commissioner must reply in writing to the group's findings and recommendations. The commissioner's response must explain whether the agency will implement the group's recommendations, the timeline for implementation of the changes, and, if not, why the commissioner will not or cannot implement the group's recommendations.

(d) Beginning in 2023, the commissioner must include a written aggregate of the group's recommendations based on each security audit and assessment of a state correctional facility and the commissioner's responses to the recommendations in the biennial report required under section 241.016, subdivision 1. The commissioner shall not include corrections and detention confidential data, as defined in section 13.85, subdivision 3, in the commissioner's report to the legislature.

(e) The commissioner shall provide staffing and administrative support to the group.

Sec. 14. Minnesota Statutes 2020, section 241.021, is amended by adding a subdivision to read:

Subd. 1i. **Definition.** As used in this section, "correctional facility" means any facility, including a group home, having a residential component, the primary purpose of which is to serve persons placed in facilities by a court, court services department, parole authority, or other correctional agency having dispositional power over persons charged with, convicted, or adjudicated guilty or delinquent.

Sec. 15. Minnesota Statutes 2020, section 241.021, subdivision 2a, is amended to read:

Subd. 2a. **Affected municipality; notice.** The commissioner must not ~~issue~~ grant a license without giving 30 calendar days' written notice to any affected municipality or other political subdivision unless the facility has a licensed capacity of six or fewer persons and is occupied by either the licensee or the group foster home parents. The notification must be given before the license is first ~~issuance of a license~~ granted and annually after that time if annual notification is requested in writing by any affected municipality or other political subdivision. State funds must not be made available to or be spent by an agency or department of state, county, or municipal government for payment to a foster care facility licensed under subdivision 2 until the provisions of this subdivision have been complied with in full.

Sec. 16. Minnesota Statutes 2020, section 241.021, subdivision 2b, is amended to read:

Subd. 2b. **Licensing; facilities; juveniles from outside state.** The commissioner may not:

(1) ~~issue~~ grant a license under this section to operate a correctional facility for the detention or confinement of juvenile offenders if the facility accepts juveniles who reside outside of Minnesota without an agreement with the entity placing the juvenile at the facility that obligates the entity to pay the educational expenses of the juvenile; or

(2) renew a license under this section to operate a correctional facility for the detention or confinement of juvenile offenders if the facility accepts juveniles who reside outside of Minnesota without an agreement with the entity placing the juvenile at the facility that obligates the entity to pay the educational expenses of the juvenile.

Sec. 17. Minnesota Statutes 2020, section 241.021, is amended by adding a subdivision to read:

Subd. 2c. **Searches.** The commissioner shall not grant a license to any county, municipality, or agency to operate a facility for the detention, care, and training of delinquent children and youth unless the county, municipality, or agency institutes a policy strictly prohibiting the visual inspection of breasts, buttocks, or genitalia of children and youth received by the facility except during a health care procedure conducted by a medically licensed person.

Sec. 18. Minnesota Statutes 2020, section 241.021, is amended by adding a subdivision to read:

Subd. 2d. **Disciplinary room time.** The commissioner shall not grant a license to any county, municipality, or agency to operate a facility for the detention, care, and training of delinquent children and youth unless the county, municipality, or agency institutes a policy strictly prohibiting the use of disciplinary room time for children and youth received by the facility. Seclusion used in emergency situations as a response to imminent danger to the resident or others, when less restrictive interventions are determined to be ineffective, is not a violation of this subdivision.

Sec. 19. Minnesota Statutes 2020, section 241.021, is amended by adding a subdivision to read:

Subd. 7. **Intake release of information.** All correctional facilities that confine or incarcerate adults are required at intake to provide each person an authorization form to release information related to that person's health or mental health condition and when that information should be shared. This release form shall allow the individual

to select if the individual wants to require the correctional facility to make attempts to contact the designated person to facilitate the sharing of health condition information upon incapacitation or if the individual becomes unable to communicate or direct the sharing of this information, so long as contact information was provided and the incapacitated individual or individual who is unable to communicate or direct the sharing of this information is not subject to a court order prohibiting contact with the designated person.

Sec. 20. Minnesota Statutes 2020, section 241.021, is amended by adding a subdivision to read:

Subd. 8. **Death review teams.** In the event a correctional facility as defined in subdivision 1g receives information of the death of an individual while committed to the custody of the facility, regardless of whether the death occurred at the facility or after removal from the facility for medical care stemming from an incident or need for medical care at the correctional facility, the administrator of the facility, minimally including a medical expert of the facility's choosing who did not provide medical services to the individual, and, if appropriate, a mental health expert, shall review the circumstances of the death and assess for preventable mortality and morbidity, including recommendations for policy or procedure change, within 90 days of death. The investigating law enforcement agency may provide documentation, participate in, or provide documentation and participate in the review in instances where criminal charges were not brought. A preliminary autopsy report must be provided as part of the review and any subsequent autopsy findings as available. The facility administrator shall provide notice to the commissioner of corrections via the Department of Corrections detention information system that the correctional facility has conducted a review and identify any recommendations for changes in policy, procedure, or training that will be implemented. Any report or other documentation created for purposes of a facility death review is confidential as defined in section 13.02, subdivision 3. Nothing in this section relieves the facility administrator from complying with the notice of death to the commissioner as required by subdivision 1, paragraph (a).

Sec. 21. Minnesota Statutes 2020, section 241.025, subdivision 1, is amended to read:

Subdivision 1. **Authorization.** The commissioner of corrections may appoint peace officers, as defined in section 626.84, subdivision 1, paragraph (c), who shall serve in the classified service subject to the provisions of section 43A.01, subdivision 2, and establish a law enforcement agency, as defined in section 626.84, subdivision 1, paragraph (f), known as the Department of Corrections Fugitive Apprehension Unit, to perform the duties necessary to make statewide arrests under sections 629.30 and 629.34. The jurisdiction of the law enforcement agency is ~~limited to~~ primarily the arrest of Department of Corrections' discretionary and statutory released violators and Department of Corrections' escapees. The Department of Corrections Fugitive Apprehension Unit may exercise general law enforcement duties during the course of official duties, including carrying out law enforcement activities in coordination with the law enforcement agency of jurisdiction, investigating criminal offenses in agency-operated correctional facilities and surrounding property, and assisting other law enforcement agencies upon request.

Sec. 22. Minnesota Statutes 2020, section 241.025, subdivision 2, is amended to read:

Subd. 2. **Limitations.** The initial processing of a person arrested by the fugitive apprehension unit for an offense ~~within the agency's jurisdiction~~ is the responsibility of the fugitive apprehension unit unless otherwise directed by the law enforcement agency with primary jurisdiction. A subsequent investigation is the responsibility of the law enforcement agency of the jurisdiction ~~in which a new crime is committed~~ unless the law enforcement agency authorizes the fugitive apprehension unit to assume the subsequent investigation. At the request of the primary jurisdiction, the fugitive apprehension unit may assist in subsequent investigations or law enforcement efforts being carried out by the primary jurisdiction. Persons arrested for violations that the fugitive apprehension unit determines are not within the agency's jurisdiction must be referred to the appropriate local law enforcement agency for further investigation or disposition.

Sec. 23. Minnesota Statutes 2020, section 241.025, subdivision 3, is amended to read:

Subd. 3. **Policies.** The fugitive apprehension unit must develop and file all policies required under state law for law enforcement agencies. The fugitive apprehension unit also must develop a policy for contacting law enforcement agencies in a city or county before initiating any fugitive surveillance, investigation, or apprehension within the city or county. ~~These policies must be filed with the board of peace officers standards and training by November 1, 2000.~~ Revisions of any of these policies must be filed with the board within ten days of the effective date of the revision. The Department of Corrections shall train all of its peace officers regarding the application of these policies.

Sec. 24. **[241.067] RELEASE OF INMATES; DUTIES OF COMMISSIONER.**

Subdivision 1. **Duties upon release.** When releasing an inmate from prison, the commissioner shall provide to the inmate:

(1) a copy of the inmate's unofficial criminal history compiled by the department and marked as unofficial;

(2) information on how to obtain the inmate's full official criminal history from the Bureau of Criminal Apprehension;

(3) general information describing the laws and processes for obtaining an expungement of the inmate's criminal record;

(4) general information on the inmate's right to vote;

(5) current information on local career workforce centers in the county in which the inmate will reside and, upon the inmate's request, other counties;

(6) a record of the programs that the inmate completed while in prison;

(7) an accounting of any court-ordered payments, fines, and fees owed by the inmate upon release of which the department has knowledge;

(8) assistance in obtaining a Social Security card;

(9) a medical discharge summary;

(10) information on how the inmate may obtain a complete copy of the inmate's medical record at no charge to the inmate; and

(11) general information on the Supplemental Nutrition Assistance Program (SNAP) benefits, eligibility criteria, and application process.

Subd. 2. **Assistance relating to birth certificate and identification cards.** (a) Upon the request of an inmate, the commissioner shall assist the inmate in obtaining a copy of the inmate's birth certificate at no cost to the inmate. This assistance does not apply to inmates who (1) upon intake have six months or less remaining in their term of imprisonment, (2) already have an accessible copy of their birth certificate available or other valid identification, or (3) already have a valid photograph on file with the Department of Public Safety that may be used as proof of identity for renewing an identification document.

(b) The commissioner, in collaboration with the Department of Public Safety, shall facilitate the provision of a state identification card to an inmate at no cost to the inmate under the same criteria described in paragraph (a) relating to birth certificates, provided the inmate possesses the necessary qualifying documents to obtain the card.

(c) The commissioner shall inform inmates of the commissioner's duties under paragraphs (a) and (b) upon intake and again upon the initiation of release planning.

Subd. 3. **Medical assistance or MinnesotaCare application.** At least 45 days before the scheduled release of an inmate, the commissioner shall offer to assist the inmate in completing an application for medical assistance or MinnesotaCare and shall provide the assistance if the inmate accepts the offer.

Subd. 4. **Medications.** (a) When releasing an inmate from prison, the commissioner shall provide the inmate with a one-month supply of any non-narcotic medications that have been prescribed to the inmate and a prescription for a 30-day supply of these medications that may be refilled twice.

(b) Paragraph (a) applies only to the extent the requirement is consistent with clinical guidelines and permitted under state and federal law.

(c) Nothing in this subdivision overrides the requirements in section 244.054.

Subd. 5. **Exception; release violators.** Subdivisions 1 to 3 do not apply to inmates who are being imprisoned for a release violation. Subdivision 4 applies to all inmates being released.

EFFECTIVE DATE. This section is effective September 1, 2021, except that the requirement in subdivision 1, clause (10), is effective on July 1, 2022.

Sec. 25. **[241.068] HOMELESSNESS MITIGATION PLAN; ANNUAL REPORTING ON HOMELESSNESS.**

Subdivision 1. **Homelessness mitigation plan; report.** (a) The commissioner of corrections shall develop and implement a homelessness mitigation plan for individuals released from prison. At a minimum, the plan must include:

(1) redesigning of business practices and policies to boost efforts to prevent homelessness for all persons released from prison;

(2) efforts to increase interagency and intergovernmental collaboration between state and local governmental units to identify and leverage shared resources; and

(3) development of internal metrics for the agency to report on its progress toward implementing the plan and achieving the plan's goals.

(b) The commissioner shall submit the plan to the chairs and ranking minority members of the legislative committees having jurisdiction over criminal justice policy and finance by October 31, 2022.

Subd. 2. **Reporting on individuals released to homelessness.** (a) By February 15 of each year beginning in 2022, the commissioner shall report to the chairs and ranking minority members of the legislative committees having jurisdiction over criminal justice policy and finance the following information on adults, disaggregated by race, gender, and county of release:

(1) the total number released to homelessness from prison;

(2) the total number released to homelessness by each Minnesota correctional facility;

(3) the total number released to homelessness by county of release; and

(4) the total number under supervised, intensive supervised, or conditional release following release from prison who reported experiencing homelessness or a lack of housing stability.

(b) Beginning with the 2024 report and continuing until the 2033 report, the commissioner shall include in the report required under paragraph (a), information detailing progress, measures, and challenges to the implementation of the homelessness mitigation plan required by subdivision 1.

EFFECTIVE DATE. This section is effective July, 1, 2021.

Sec. 26. Minnesota Statutes 2020, section 243.48, subdivision 1, is amended to read:

Subdivision 1. **General searches.** The commissioner of corrections, the state correctional facilities audit group, the governor, lieutenant governor, members of the legislature, state officers, and the ombudsperson for corrections may visit the inmates at pleasure, but no other persons without permission of the chief executive officer of the facility, under rules prescribed by the commissioner. A moderate fee may be required of visitors, other than those allowed to visit at pleasure. All fees so collected shall be reported and remitted to the commissioner of management and budget under rules as the commissioner may deem proper, and when so remitted shall be placed to the credit of the general fund.

Sec. 27. Minnesota Statutes 2020, section 243.52, is amended to read:

243.52 DISCIPLINE; PREVENTION OF ESCAPE; DUTY TO REPORT.

Subdivision 1. **Discipline and prevention of escape** If any ~~inmate of~~ person confined or incarcerated in any adult correctional facility either under the control of the commissioner of corrections or licensed by the commissioner of corrections under section 241.021 assaults any correctional officer or any other person ~~or inmate~~, the assaulted person may use force in defense of the assault, except as limited in this section. If any ~~inmate~~ confined or incarcerated person attempts to damage the buildings or appurtenances, resists the lawful authority of any correctional officer, refuses to obey the correctional officer's reasonable demands, or attempts to escape, the correctional officer may enforce obedience and discipline or prevent escape by the use of force. If any ~~inmate~~ confined or incarcerated person resisting lawful authority is wounded or killed by the use of force by the correctional officer or assistants, that conduct is authorized under this section.

Subd. 2. **Use of force.** (a) Use of force must not be applied maliciously or sadistically for the purpose of causing harm to a confined or incarcerated person.

(b) Unless the use of deadly force is justified in this section, a correctional officer working in a correctional facility as defined in section 241.021 may not use any of the following restraints:

(1) a choke hold;

(2) a prone restraint;

(3) tying all of a person's limbs together behind the person's back to render the person immobile; or

(4) securing a person in any way that results in transporting the person face down in a vehicle, except as directed by a medical professional.

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

(1) "choke hold" means a method by which a person applies sufficient pressure to a person to make breathing difficult or impossible, and includes but is not limited to any pressure to the neck, throat, or windpipe that may prevent or hinder breathing or reduce intake of air. Choke hold also means applying pressure to a person's neck on either side of the windpipe, but not to the windpipe itself, to stop the flow of blood to the brain via the carotid arteries;

(2) "prone restraint" means the use of manual restraint that places a person in a face-down position; and

~~As used in this section, "use of force" means conduct which is defined by sections 609.06 to 609.066.~~ (3) "deadly force" has the meaning given in section 609.066, subdivision 1.

(d) Use of deadly force is justified only if an objectively reasonable correctional officer would believe, based on the totality of the circumstances known to the officer at the time and without the benefit of hindsight, that deadly force is necessary:

(1) to protect the correctional officer or another from death or great bodily harm, provided that the threat:

(i) can be articulated with specificity by the correctional officer;

(ii) is reasonably likely to occur absent action by the correctional officer; and

(iii) must be addressed through the use of deadly force without unreasonable delay; or

(2) to effect the capture or prevent the escape of a person when the officer reasonably believes that the person will cause death or great bodily harm to another person under the threat criteria in clause (1), unless immediately apprehended.

Subd. 3. **Duty to report.** (a) Regardless of tenure or rank, staff working in a correctional facility as defined in section 241.021 who observe another employee engage in neglect or use force that exceeds the degree of force permitted by law must report the incident in writing as soon as practicable, but no later than 24 hours to the administrator of the correctional facility that employs the reporting staff member.

(b) A staff member who fails to report neglect or excessive use of force within 24 hours is subject to disciplinary action or sanction by the correctional facility that employs them. Staff members shall suffer no reprisal for reporting another staff member engaged in excessive use of force or neglect.

(c) For the purposes of this subdivision, "neglect" means:

(1) the knowing failure or omission to supply a person confined or incarcerated in the facility with care or services, including but not limited to food, clothing, health care, or supervision that is reasonable and necessary to obtain or maintain the person's physical or mental health or safety; or

(2) the absence or likelihood of absence of care or services, including but not limited to food, clothing, health care, or supervision necessary to maintain the physical and mental health of the person that a reasonable person would deem essential for health, safety, or comfort.

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

Sec. 28. **[243.95] PRIVATE PRISON CONTRACTS PROHIBITED.**

The commissioner may not contract with privately owned and operated prisons for the care, custody, and rehabilitation of offenders committed to the custody of the commissioner.

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

Sec. 29. **[244.049] INDETERMINATE SENTENCE RELEASE BOARD.**

Subdivision 1. **Establishment; membership.** (a) The Indeterminate Sentence Release Board is established to review eligible cases and make release decisions for inmates serving indeterminate sentences under the authority of the commissioner.

(b) The board shall consist of five members as follows:

(1) four persons appointed by the governor from two recommendations of each of the majority leaders and minority leaders of the house of representatives and the senate; and

(2) the commissioner of corrections who shall serve as chair.

(c) The members appointed from the legislative recommendations must meet the following qualifications at a minimum:

(1) a bachelor's degree in criminology, corrections, or a related social science, or a law degree;

(2) five years of experience in corrections, a criminal justice or community corrections field, rehabilitation programming, behavioral health, or criminal law; and

(3) demonstrated knowledge of victim issues and correctional processes.

Subd. 2. **Terms; compensation.** (a) Members of the board shall serve four-year staggered terms except that the terms of the initial members of the board must be as follows:

(1) two members must be appointed for terms that expire January 1, 2024; and

(2) two members must be appointed for terms that expire January 1, 2026.

(b) A member is eligible for reappointment.

(c) Vacancies on the board shall be filled in the same manner as the initial appointments under subdivision 1.

(d) Member compensation and removal of members on the board shall be as provided in section 15.0575.

Subd. 3. **Quorum; administrative duties.** (a) The majority of members constitutes a quorum.

(b) The commissioner of corrections shall provide the board with personnel, supplies, equipment, office space, and other administrative services necessary and incident to the discharge of the functions of the board.

Subd. 4. **Limitation.** Nothing in this section supersedes the commissioner's authority to revoke an inmate's release for a violation of the inmate's terms of release or impairs the power of the Board of Pardons to grant a pardon or commutation in any case.

Subd. 5. **Report.** On or before February 15 each year, the board shall submit to the legislative committees with jurisdiction over criminal justice policy a written report detailing the number of inmates reviewed and identifying persons granted release in the preceding year. The report shall also include the board's recommendations for policy modifications that influence the board's duties.

Sec. 30. Minnesota Statutes 2020, section 244.05, subdivision 5, is amended to read:

Subd. 5. **Supervised release, life sentence.** (a) The ~~commissioner of corrections~~ board may, under rules ~~promulgated~~ adopted by the commissioner and upon majority vote of the board members, give supervised release to an inmate serving a mandatory life sentence under section 609.185, paragraph (a), clause (3), (5), or (6); 609.3455, subdivision 3 or 4; 609.385; or Minnesota Statutes 2004, section 609.109, subdivision 3, after the inmate has served the minimum term of imprisonment specified in subdivision 4.

(b) The ~~commissioner~~ board shall require the preparation of a community investigation report and shall consider the findings of the report when making a supervised release decision under this subdivision. The report shall reflect the sentiment of the various elements of the community toward the inmate, both at the time of the offense and at the present time. The report shall include the views of the sentencing judge, the prosecutor, any law enforcement personnel who may have been involved in the case, and any successors to these individuals who may have information relevant to the supervised release decision. The report shall also include the views of the victim and the victim's family unless the victim or the victim's family chooses not to participate.

(c) The commissioner shall make reasonable efforts to notify the victim, in advance, of the time and place of the inmate's supervised release review hearing. The victim has a right to submit an oral or written statement at the review hearing. The statement may summarize the harm suffered by the victim as a result of the crime and give the victim's recommendation on whether the inmate should be given supervised release at this time. The ~~commissioner~~ board must consider the victim's statement when making the supervised release decision.

(d) When considering whether to give supervised release to an inmate serving a life sentence under section 609.3455, subdivision 3 or 4, the ~~commissioner~~ board shall consider, at a minimum, the following: the risk the inmate poses to the community if released, the inmate's progress in treatment, the inmate's behavior while incarcerated, psychological or other diagnostic evaluations of the inmate, the inmate's criminal history, and any other relevant conduct of the inmate while incarcerated or before incarceration. The ~~commissioner~~ board may not give supervised release to the inmate unless:

(1) while in prison:

(i) the inmate has successfully completed appropriate sex offender treatment;

(ii) the inmate has been assessed for chemical dependency needs and, if appropriate, has successfully completed chemical dependency treatment; and

(iii) the inmate has been assessed for mental health needs and, if appropriate, has successfully completed mental health treatment; and

(2) a comprehensive individual release plan is in place for the inmate that ensures that, after release, the inmate will have suitable housing and receive appropriate aftercare and community-based treatment. The comprehensive plan also must include a postprison employment or education plan for the inmate.

(e) As used in this subdivision~~,~~:

(1) "board" means the Indeterminate Sentence Release Board under section 244.049; and

(2) "victim" means the individual who suffered harm as a result of the inmate's crime or, if the individual is deceased, the deceased's surviving spouse or next of kin.

Sec. 31. Minnesota Statutes 2020, section 244.065, is amended to read:

244.065 PRIVATE EMPLOYMENT OF INMATES OR SPECIALIZED PROGRAMMING FOR PREGNANT INMATES OF STATE CORRECTIONAL INSTITUTIONS IN COMMUNITY.

Subdivision 1. **Work.** When consistent with the public interest and the public safety, the commissioner of corrections may conditionally release an inmate to work at paid employment, seek employment, or participate in a vocational training or educational program, as provided in section 241.26, if the inmate has served at least one half of the term of imprisonment.

Subd. 2. **Pregnancy.** (a) In the furtherance of public interest and community safety, the commissioner of corrections may conditionally release:

(1) for up to one year postpartum, an inmate who gave birth within eight months of the date of commitment; and

(2) for the duration of the pregnancy and up to one year postpartum, an inmate who is pregnant.

(b) The commissioner may conditionally release an inmate under paragraph (a) to community-based programming for the purpose of participation in prenatal or postnatal care programming and to promote mother-child bonding in addition to other programming requirements as established by the commissioner, including evidence-based parenting skills programming; working at paid employment; seeking employment; or participating in vocational training, an educational program, or chemical dependency or mental health treatment services.

(c) The commissioner shall develop policy and criteria to implement this subdivision according to public safety and generally accepted correctional practice.

(d) By April 1 of each year, the commissioner shall report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over corrections on the number of inmates released and the duration of the release under this subdivision for the prior calendar year.

Sec. 32. Minnesota Statutes 2020, section 244.19, subdivision 3, is amended to read:

Subd. 3. **Powers and duties.** All county probation officers serving a district court shall act under the orders of the court in reference to any person committed to their care by the court, and in the performance of their duties shall have the general powers of a peace officer; and it shall be their duty to make such investigations with regard to any person as may be required by the court before, during, or after the trial or hearing, and to furnish to the court such information and assistance as may be required; to take charge of any person before, during or after trial or hearing when so directed by the court, and to keep such records and to make such reports to the court as the court may order.

All county probation officers serving a district court shall, in addition, provide probation and parole services to wards of the commissioner of corrections resident in the counties they serve, and shall act under the orders of said commissioner of corrections in reference to any ward committed to their care by the commissioner of corrections.

All probation officers serving a district court shall, under the direction of the authority having power to appoint them, initiate programs for the welfare of persons coming within the jurisdiction of the court to prevent delinquency and crime and to rehabilitate within the community persons who come within the jurisdiction of the court and are properly subject to efforts to accomplish prevention and rehabilitation. They shall, under the direction of the court, cooperate with all law enforcement agencies, schools, child welfare agencies of a public or private character, and other groups concerned with the prevention of crime and delinquency and the rehabilitation of persons convicted of crime and delinquency.

All probation officers serving a district court shall make monthly and annual reports to the commissioner of corrections, on forms furnished by the commissioner, containing such information on number of cases cited to the juvenile division of district court, offenses, adjudications, dispositions, and related matters as may be required by the commissioner of corrections. The reports shall include the information on individuals convicted as an extended jurisdiction juvenile identified in section 241.016, subdivision 1, paragraph (c).

Sec. 33. Minnesota Statutes 2020, section 244.195, subdivision 2, is amended to read:

Subd. 2. **Detention pending hearing.** When it appears necessary to enforce discipline or to prevent a person on conditional release from escaping or absconding from supervision, a court services director has the authority to issue a written order directing any peace officer or any probation officer in the state serving the district and juvenile courts to detain and bring the person before the court or the commissioner, whichever is appropriate, for disposition. If the person on conditional release commits a violation described in section 609.14, subdivision 1a, paragraph (a), the court services director must have a reasonable belief that the order is necessary to prevent the person from escaping or absconding from supervision or that the continued presence of the person in the community presents a risk to public safety before issuing a written order. This written order is sufficient authority for the peace officer or probation officer to detain the person for not more than 72 hours, excluding Saturdays, Sundays, and holidays, pending a hearing before the court or the commissioner.

Sec. 34. **[260B.008] USE OF RESTRAINTS.**

(a) As used in this section, "restraints" means a mechanical or other device that constrains the movement of a person's body or limbs.

(b) Restraints may not be used on a child appearing in court in a proceeding under this chapter unless the court finds that:

(1) the use of restraints is necessary:

(i) to prevent physical harm to the child or another; or

(ii) to prevent the child from fleeing in situations in which the child presents a substantial risk of flight from the courtroom; and

(2) there are no less restrictive alternatives to restraints that will prevent flight or physical harm to the child or another, including but not limited to the presence of court personnel, law enforcement officers, or bailiffs.

The finding in clause (1), item (i), may be based, among other things, on the child having a history of disruptive courtroom behavior or behavior while in custody for any current or prior offense that has placed others in potentially harmful situations, or presenting a substantial risk of inflicting physical harm on the child or others as evidenced by past behavior. The court may take into account the physical structure of the courthouse in assessing the applicability of the above factors to the individual child.

(c) The court shall be provided the child's behavior history and shall provide the child an opportunity to be heard in person or through counsel before ordering the use of restraints. If restraints are ordered, the court shall make findings of fact in support of the order.

(d) By April 1, 2022, each judicial district shall develop a protocol to address how to implement and comply with this section. In developing the protocol, a district shall consult with law enforcement agencies, prosecutors, public defenders within the district, and any other entity deemed necessary by the district's chief judge.

EFFECTIVE DATE. Paragraphs (a), (b), and (c) are effective April 15, 2022. Paragraph (d) is effective the day following final enactment.

Sec. 35. Minnesota Statutes 2020, section 260B.163, subdivision 1, is amended to read:

Subdivision 1. **General.** (a) Except for hearings arising under section 260B.425, hearings on any matter shall be without a jury and may be conducted in an informal manner, except that a child who is prosecuted as an extended jurisdiction juvenile has the right to a jury trial on the issue of guilt. The rules of evidence promulgated pursuant to section 480.0591 and the law of evidence shall apply in adjudicatory proceedings involving a child alleged to be delinquent, an extended jurisdiction juvenile, or a juvenile petty offender, and hearings conducted pursuant to section 260B.125 except to the extent that the rules themselves provide that they do not apply.

(b) When a continuance or adjournment is ordered in any proceeding, the court may make any interim orders as it deems in the best interests of the minor in accordance with the provisions of sections 260B.001 to 260B.421.

(c) Except as otherwise provided in this paragraph, the court shall exclude the general public from hearings under this chapter and shall admit only those persons who, in the discretion of the court, have a direct interest in the case or in the work of the court. The court shall permit the victim of a child's delinquent act to attend any related delinquency proceeding, except that the court may exclude the victim:

(1) as a witness under the Rules of Criminal Procedure; and

(2) from portions of a certification hearing to discuss psychological material or other evidence that would not be accessible to the public.

The court shall open the hearings to the public in ~~delinquency or~~ extended jurisdiction juvenile proceedings where the child is alleged to have committed an offense or has been proven to have committed an offense that would be a felony if committed by an adult and the child was at least 16 years of age at the time of the offense, except that the court may exclude the public from portions of a certification hearing to discuss psychological material or other evidence that would not be accessible to the public in an adult proceeding.

(d) In all delinquency cases a person named in the charging clause of the petition as a person directly damaged in person or property shall be entitled, upon request, to be notified by the court administrator in writing, at the named person's last known address, of (1) the date of the certification or adjudicatory hearings, and (2) the disposition of the case.

Sec. 36. **[260B.1755] ALTERNATIVE TO ARREST OF CERTAIN JUVENILE OFFENDERS AUTHORIZED.**

(a) A peace officer who has probable cause to believe that a child is a petty offender or delinquent child may refer the child to a program, including restorative programs, that the law enforcement agency with jurisdiction over the child deems appropriate.

(b) If a peace officer or law enforcement agency refers a child to a program under paragraph (a), the peace officer or law enforcement agency may defer issuing a citation or a notice to the child to appear in juvenile court, transmitting a report to the prosecuting authority, or otherwise initiating a proceeding in juvenile court.

(c) After receiving notice that a child who was referred to a program under paragraph (a) successfully completed that program, a peace officer or law enforcement agency shall not issue a citation or a notice to the child to appear in juvenile court, transmit a report to the prosecuting authority, or otherwise initiate a proceeding in juvenile court for the conduct that formed the basis of the referral.

(d) This section does not apply to peace officers acting pursuant to an order or warrant described in section 260B.175, subdivision 1, paragraph (a), or other court order to take a child into custody.

Sec. 37. Minnesota Statutes 2020, section 260B.176, is amended by adding a subdivision to read:

Subd. 1a. **Risk assessment instrument.** If a peace officer or probation or parole officer who took a child into custody does not release the child as provided in subdivision 1, the peace officer or probation or parole officer shall communicate with or deliver the child to a juvenile secure detention facility to determine whether the child should be released or detained. Before detaining a child, the supervisor of the facility shall use an objective and racially, ethnically, and gender-responsive juvenile detention risk assessment instrument developed by the commissioner of corrections, county, group of counties, or judicial district, in consultation with the state coordinator or coordinators of the Minnesota Juvenile Detention Alternatives Initiative. The risk assessment instrument must assess the likelihood that a child released from preadjudication detention under this section or section 260B.178 would endanger others or not return for a court hearing. The instrument must identify the appropriate setting for a child who might endanger others or not return for a court hearing pending adjudication, with either continued detention or placement in a noncustodial community-based supervision setting. The instrument must also identify the type of noncustodial community-based supervision setting necessary to minimize the risk that a child who is released from custody will endanger others or not return for a court hearing. If, after using the instrument, a determination is made that the child should be released, the person taking the child into custody or the supervisor of the facility shall release the child as provided in subdivision 1.

EFFECTIVE DATE. This section is effective August 15, 2022.

Sec. 38. Minnesota Statutes 2020, section 260B.176, subdivision 2, is amended to read:

Subd. 2. **Reasons for detention.** (a) If the child is not released as provided in subdivision 1, the person taking the child into custody shall notify the court as soon as possible of the detention of the child and the reasons for detention.

(b) No child may be detained in a secure detention facility after being taken into custody for a delinquent act as defined in section 260B.007, subdivision 6, unless the child is over the age of 12.

~~(b)~~ (c) No child may be detained in a juvenile secure detention facility or shelter care facility longer than 36 hours, excluding Saturdays, Sundays, and holidays, after being taken into custody for a delinquent act as defined in section 260B.007, subdivision 6, unless a petition has been filed and the judge or referee determines pursuant to section 260B.178 that the child shall remain in detention.

~~(c)~~ (d) No child may be detained in an adult jail or municipal lockup longer than 24 hours, excluding Saturdays, Sundays, and holidays, or longer than six hours in an adult jail or municipal lockup in a standard metropolitan statistical area, after being taken into custody for a delinquent act as defined in section 260B.007, subdivision 6, unless:

(1) a petition has been filed under section 260B.141; and

(2) a judge or referee has determined under section 260B.178 that the child shall remain in detention.

After August 1, 1991, no child described in this paragraph may be detained in an adult jail or municipal lockup longer than 24 hours, excluding Saturdays, Sundays, and holidays, or longer than six hours in an adult jail or municipal lockup in a standard metropolitan statistical area, unless the requirements of this paragraph have been met and, in addition, a motion to refer the child for adult prosecution has been made under section 260B.125. Notwithstanding this paragraph, continued detention of a child in an adult detention facility outside of a standard metropolitan statistical area county is permissible if:

(i) the facility in which the child is detained is located where conditions of distance to be traveled or other ground transportation do not allow for court appearances within 24 hours. A delay not to exceed 48 hours may be made under this clause; or

(ii) the facility is located where conditions of safety exist. Time for an appearance may be delayed until 24 hours after the time that conditions allow for reasonably safe travel. "Conditions of safety" include adverse life-threatening weather conditions that do not allow for reasonably safe travel.

The continued detention of a child under clause (i) or (ii) must be reported to the commissioner of corrections.

~~(d)~~ (e) If a child described in paragraph ~~(c)~~ (d) is to be detained in a jail beyond 24 hours, excluding Saturdays, Sundays, and holidays, the judge or referee, in accordance with rules and procedures established by the commissioner of corrections, shall notify the commissioner of the place of the detention and the reasons therefor. The commissioner shall thereupon assist the court in the relocation of the child in an appropriate juvenile secure detention facility or approved jail within the county or elsewhere in the state, or in determining suitable alternatives. The commissioner shall direct that a child detained in a jail be detained after eight days from and including the date of the original detention order in an approved juvenile secure detention facility with the approval of the administrative authority of the facility. If the court refers the matter to the prosecuting authority pursuant to section 260B.125, notice to the commissioner shall not be required.

~~(e)~~ (f) When a child is detained for an alleged delinquent act in a state licensed juvenile facility or program, or when a child is detained in an adult jail or municipal lockup as provided in paragraph ~~(c)~~ (d), the supervisor of the facility shall, if the child's parent or legal guardian consents, have a children's mental health screening conducted with a screening instrument approved by the commissioner of human services, unless a screening has been performed within the previous 180 days or the child is currently under the care of a mental health professional. The screening shall be conducted by a mental health practitioner as defined in section 245.4871, subdivision 26, or a probation officer who is trained in the use of the screening instrument. The screening shall be conducted after the initial detention hearing has been held and the court has ordered the child continued in detention. The results of the screening may only be presented to the court at the dispositional phase of the court proceedings on the matter unless the parent or legal guardian consents to presentation at a different time. If the screening indicates a need for assessment, the local social services agency or probation officer, with the approval of the child's parent or legal guardian, shall have a diagnostic assessment conducted, including a functional assessment, as defined in section 245.4871.

Sec. 39. Minnesota Statutes 2020, section 260C.007, subdivision 6, is amended to read:

Subd. 6. **Child in need of protection or services.** "Child in need of protection or services" means a child who is in need of protection or services because the child:

(1) is abandoned or without parent, guardian, or custodian;

(2)(i) has been a victim of physical or sexual abuse as defined in section 260E.03, subdivision 18 or 20, (ii) resides with or has resided with a victim of child abuse as defined in subdivision 5 or domestic child abuse as defined in subdivision 13, (iii) resides with or would reside with a perpetrator of domestic child abuse as defined in subdivision 13 or child abuse as defined in subdivision 5 or 13, or (iv) is a victim of emotional maltreatment as defined in subdivision 15;

(3) is without necessary food, clothing, shelter, education, or other required care for the child's physical or mental health or morals because the child's parent, guardian, or custodian is unable or unwilling to provide that care;

(4) is without the special care made necessary by a physical, mental, or emotional condition because the child's parent, guardian, or custodian is unable or unwilling to provide that care;

(5) is medically neglected, which includes, but is not limited to, the withholding of medically indicated treatment from an infant with a disability with a life-threatening condition. The term "withholding of medically indicated treatment" means the failure to respond to the infant's life-threatening conditions by providing treatment, including appropriate nutrition, hydration, and medication which, in the treating physician's or advanced practice registered nurse's reasonable medical judgment, will be most likely to be effective in ameliorating or correcting all conditions, except that the term does not include the failure to provide treatment other than appropriate nutrition, hydration, or medication to an infant when, in the treating physician's or advanced practice registered nurse's reasonable medical judgment:

(i) the infant is chronically and irreversibly comatose;

(ii) the provision of the treatment would merely prolong dying, not be effective in ameliorating or correcting all of the infant's life-threatening conditions, or otherwise be futile in terms of the survival of the infant; or

(iii) the provision of the treatment would be virtually futile in terms of the survival of the infant and the treatment itself under the circumstances would be inhumane;

(6) is one whose parent, guardian, or other custodian for good cause desires to be relieved of the child's care and custody, including a child who entered foster care under a voluntary placement agreement between the parent and the responsible social services agency under section 260C.227;

(7) has been placed for adoption or care in violation of law;

(8) is without proper parental care because of the emotional, mental, or physical disability, or state of immaturity of the child's parent, guardian, or other custodian;

(9) is one whose behavior, condition, or environment is such as to be injurious or dangerous to the child or others. An injurious or dangerous environment may include, but is not limited to, the exposure of a child to criminal activity in the child's home;

(10) is experiencing growth delays, which may be referred to as failure to thrive, that have been diagnosed by a physician and are due to parental neglect;

(11) is a sexually exploited youth;

(12) has committed a delinquent act or a juvenile petty offense before becoming ~~ten~~ 13 years old;

(13) is a runaway;

(14) is a habitual truant;

(15) has been found incompetent to proceed or has been found not guilty by reason of mental illness or mental deficiency in connection with a delinquency proceeding, a certification under section 260B.125, an extended jurisdiction juvenile prosecution, or a proceeding involving a juvenile petty offense; or

(16) has a parent whose parental rights to one or more other children were involuntarily terminated or whose custodial rights to another child have been involuntarily transferred to a relative and there is a case plan prepared by the responsible social services agency documenting a compelling reason why filing the termination of parental rights petition under section 260C.503, subdivision 2, is not in the best interests of the child.

Sec. 40. Minnesota Statutes 2020, section 401.025, subdivision 1, is amended to read:

Subdivision 1. **Peace officers and probation officers serving CCA counties.** (a) When it appears necessary to enforce discipline or to prevent a person on conditional release from escaping or absconding from supervision, the chief executive officer or designee of a community corrections agency in a CCA county has the authority to issue a written order directing any peace officer or any probation officer in the state serving the district and juvenile courts to detain and bring the person before the court or the commissioner, whichever is appropriate, for disposition. If the person on conditional release commits a violation described in section 609.14, subdivision 1a, paragraph (a), the chief executive officer or designee must have a reasonable belief that the order is necessary to prevent the person from escaping or absconding from supervision or that the continued presence of the person in the community presents a risk to public safety before issuing a written order. This written order is sufficient authority for the peace officer or probation officer to detain the person for not more than 72 hours, excluding Saturdays, Sundays, and holidays, pending a hearing before the court or the commissioner.

(b) The chief executive officer or designee of a community corrections agency in a CCA county has the authority to issue a written order directing a peace officer or probation officer serving the district and juvenile courts to release a person detained under paragraph (a) within 72 hours, excluding Saturdays, Sundays, and holidays, without an appearance before the court or the commissioner. This written order is sufficient authority for the peace officer or probation officer to release the detained person.

(c) The chief executive officer or designee of a community corrections agency in a CCA county has the authority to issue a written order directing any peace officer or any probation officer serving the district and juvenile courts to detain any person on court-ordered pretrial release who absconds from pretrial release or fails to abide by the conditions of pretrial release. A written order issued under this paragraph is sufficient authority for the peace officer or probation officer to detain the person.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to violations that occur on or after that date.

Sec. 41. Minnesota Statutes 2020, section 401.06, is amended to read:

401.06 COMPREHENSIVE PLAN; STANDARDS OF ELIGIBILITY; COMPLIANCE.

No county or group of counties electing to provide correctional services pursuant to sections 401.01 to 401.16 shall be eligible for the subsidy herein provided unless and until its comprehensive plan shall have been approved by the commissioner. The commissioner shall, pursuant to the Administrative Procedure Act, promulgate rules establishing standards of eligibility for counties to receive funds under sections 401.01 to 401.16. To remain eligible for subsidy counties shall maintain substantial compliance with the minimum standards established pursuant to sections 401.01 to 401.16 and the policies and procedures governing the services described in section 401.025 as prescribed by the commissioner. Counties shall also be in substantial compliance with other correctional operating standards permitted by law and established by the commissioner and shall report statistics required by the commissioner including but not limited to information on individuals convicted as an extended jurisdiction juvenile identified in section 241.016, subdivision 1, paragraph (c). The commissioner shall review annually the comprehensive plans submitted by participating counties, including the facilities and programs operated under the plans. The commissioner is hereby authorized to enter upon any facility operated under the plan, and inspect books and records, for purposes of recommending needed changes or improvements.

When the commissioner shall determine that there are reasonable grounds to believe that a county or group of counties is not in substantial compliance with minimum standards, at least 30 days' notice shall be given the county or counties and a hearing conducted by the commissioner to ascertain whether there is substantial compliance or satisfactory progress being made toward compliance. The commissioner may suspend all or a portion of any subsidy until the required standard of operation has been met.

Sec. 42. Minnesota Statutes 2020, section 609.14, subdivision 1, is amended to read:

Subdivision 1. **Grounds.** (a) When it appears that the defendant has violated any of the conditions of probation or intermediate sanction, or has otherwise been guilty of misconduct which warrants the imposing or execution of sentence, the court may without notice revoke the stay and direct that the defendant be taken into immediate custody. Revocation should only be used as a last resort when rehabilitation has failed.

(b) When it appears that the defendant violated any of the conditions of probation during the term of the stay, but the term of the stay has since expired, the defendant's probation officer or the prosecutor may ask the court to initiate probation revocation proceedings under the Rules of Criminal Procedure at any time within six months after the expiration of the stay. The court also may initiate proceedings under these circumstances on its own motion. If proceedings are initiated within this six-month period, the court may conduct a revocation hearing and take any action authorized under rule 27.04 at any time during or after the six-month period.

(c) Notwithstanding the provisions of section 609.135 or any law to the contrary, after proceedings to revoke the stay have been initiated by a court order revoking the stay and directing either that the defendant be taken into custody or that a summons be issued in accordance with paragraph (a), the proceedings to revoke the stay may be concluded and the summary hearing provided by subdivision 2 may be conducted after the expiration of the stay or after the six-month period set forth in paragraph (b). The proceedings to revoke the stay shall not be dismissed on the basis that the summary hearing is conducted after the term of the stay or after the six-month period. The ability or inability to locate or apprehend the defendant prior to the expiration of the stay or during or after the six-month period shall not preclude the court from conducting the summary hearing unless the defendant demonstrates that the delay was purposefully caused by the state in order to gain an unfair advantage.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to violations that occur on or after that date.

Sec. 43. Minnesota Statutes 2020, section 609.14, is amended by adding a subdivision to read:

Subd. 1a. **Violations where policies favor continued rehabilitation.** (a) Correctional treatment is better provided through a community resource than through confinement, it would not unduly depreciate the seriousness of the violation if probation was not revoked, and the policies favoring probation outweigh the need for confinement if a person has not previously violated a condition of probation or intermediate sanction and does any of the following in violation of a condition imposed by the court:

(1) fails to abstain from the use of controlled substances without a valid prescription, unless the person is under supervision for a violation of:

(i) section 169A.20;

(ii) 609.2112, subdivision 1, paragraph (a), clauses (2) to (6); or

(iii) 609.2113, subdivision 1, clauses (2) to (6), subdivision 2, clauses (2) to (6), or subdivision 3, clauses (2) to (6);

(2) fails to abstain from the use of alcohol, unless the person is under supervision for a violation of:

(i) section 169A.20;

(ii) 609.2112, subdivision 1, paragraph (a), clauses (2) to (6); or

(iii) 609.2113, subdivision 1, clauses (2) to (6), subdivision 2, clauses (2) to (6), or subdivision 3, clauses (2) to (6);

(3) possesses drug paraphernalia in violation of section 152.092;

(4) fails to obtain or maintain employment;

(5) fails to pursue a course of study or vocational training;

(6) fails to report a change in employment, unless the person is prohibited from having contact with minors and the employment would involve such contact;

(7) violates a curfew;

(8) fails to report contact with a law enforcement agency, unless the person was charged with a misdemeanor, gross misdemeanor, or felony; or

(9) commits any offense for which the penalty is a petty misdemeanor.

(b) A violation by a person described in paragraph (a) does not warrant the imposition or execution of sentence and the court may not direct that the person be taken into immediate custody unless the court receives a written report, signed under penalty of perjury pursuant to section 358.116, showing probable cause to believe the person violated probation and establishing by a preponderance of the evidence that the continued presence of the person in the community would present a risk to public safety. If the court does not direct that the person be taken into custody, the court may request a supplemental report from the supervising agent containing:

(1) the specific nature of the violation;

(2) the response of the person under supervision to the violation, if any; and

(3) the actions the supervising agent has taken or will take to address the violation.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to violations that occur on or after that date.

Sec. 44. **[641.015] PLACEMENT IN PRIVATE PRISONS PROHIBITED.**

Subdivision 1. **Placement prohibited.** After August 1, 2021, a sheriff shall not allow inmates committed to the custody of the sheriff to be housed in facilities that are not owned and operated by a local government, or a group of local units of government.

Subd. 2. **Contracts prohibited.** The county board may not authorize the sheriff to contract with privately owned and operated prisons for the care, custody, and rehabilitation of offenders committed to the custody of the sheriff.

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

Sec. 45. Laws 2017, chapter 95, article 3, section 30, is amended to read:

Sec. 30. **ALTERNATIVES TO INCARCERATION PILOT PROGRAM ~~FUND~~.** (a) Agencies providing supervision to offenders on probation, parole, or supervised release are eligible for ~~grants~~ funding to facilitate access to community options including, but not limited to, inpatient chemical dependency treatment for nonviolent controlled substance offenders to address and correct behavior that is, or is likely to result in, a technical violation of the conditions of release. For purposes of this section, "nonviolent controlled substance offender" is a person who

meets the criteria described under Minnesota Statutes, section 244.0513, subdivision 2, clauses (1), (2), and (5), and "technical violation" means a violation of a court order of probation, condition of parole, or condition of supervised release, except an allegation of a subsequent criminal act that is alleged in a formal complaint, citation, or petition.

(b) The Department of Corrections shall ~~establish criteria for selecting grant recipients and the amount awarded to each grant recipient~~ issue annual funding of $160,000 to each recipient.

(c) ~~By January 15, 2019,~~ The commissioner of corrections shall submit ~~a~~ an annual report to the chairs of the house of representatives and senate committees with jurisdiction over public safety policy and finance by January 15 of each year. At a minimum, the report must include:

~~(1) the total number of grants issued under this program;~~

~~(2) the average amount of each grant;~~

~~(3)~~ (1) the community services accessed as a result of the ~~grants~~ funding;

~~(4)~~ (2) a summary of the type of supervision offenders were under when ~~a grant~~ funding was used to help access a community option;

~~(5)~~ (3) the number of individuals who completed, and the number who failed to complete, programs accessed as a result of this ~~grant~~ funding; ~~and~~

~~(6)~~ (4) the number of individuals who violated the terms of release following participation in a program accessed as a result of this ~~grant~~ funding, separating technical violations and new criminal offenses~~.~~;

(5) the number of individuals who completed or were discharged from probation after participating in the program;

(6) the number of individuals identified in clause (5) who committed a new offense after discharge from the program;

(7) identification of barriers nonviolent controlled substance offenders face in accessing community services and a description of how the program navigates those barriers; and

(8) identification of gaps in existing community services for nonviolent controlled substance offenders.

Sec. 46. **TASK FORCE ON AIDING AND ABETTING FELONY MURDER.**

Subdivision 1. **Definitions.** As used in this section, the following terms have the meanings given:

(1) "aiding and abetting" means a person who is criminally liable for a crime committed by another because that person intentionally aided, advised, hired, counseled, or conspired with or otherwise procured the other to commit the crime; and

(2) "felony murder" means a violation of Minnesota Statutes, section 609.185, paragraph (a), clause (2), (3), (5), (6), or (7); or 609.19, subdivision 2, clause (1).

Subd. 2. **Establishment.** The task force on aiding and abetting felony murder is established to collect and analyze data on the charging, convicting, and sentencing of people for aiding and abetting felony murder; assess whether current laws and practices promote public safety and equity in sentencing; and make recommendations to the legislature.

Subd. 3. **Membership.** (a) The task force consists of the following members:

(1) two members of the house of representatives, one appointed by the speaker of the house and one appointed by the minority leader;

(2) two members of the senate, one appointed by the majority leader and one appointed by the minority leader;

(3) the commissioner of corrections or a designee;

(4) the executive director of the Minnesota Sentencing Guidelines Commission or a designee;

(5) the attorney general or a designee;

(6) the state public defender or a designee;

(7) the statewide coordinator of the Violent Crime Coordinating Council;

(8) one defense attorney, appointed by the Minnesota Association of Criminal Defense Lawyers;

(9) three county attorneys, appointed by the Minnesota County Attorneys Association;

(10) two members representing victims' rights organizations, appointed by the Office of Justice Programs director in the Department of Public Safety;

(11) one member of a criminal justice advocacy organization, appointed by the governor;

(12) one member of a statewide civil rights organization, appointed by the governor;

(13) two impacted persons who are directly related to a person who has been convicted of felony murder, appointed by the governor; and

(14) one person with expertise regarding the laws and practices of other states relating to aiding and abetting felony murder, appointed by the governor.

(b) Appointments must be made no later than July 30, 2021.

(c) The legislative members identified in paragraph (a), clauses (1) and (2), shall serve as ex officio, nonvoting members of the task force.

(d) Members shall serve without compensation.

(e) Members of the task force serve at the pleasure of the appointing authority or until the task force expires. Vacancies shall be filled by the appointing authority consistent with the qualifications of the vacating member required by this subdivision.

Subd. 4. **Officers; meetings.** (a) The task force shall elect a chair and vice-chair and may elect other officers as necessary.

(b) The commissioner of corrections shall convene the first meeting of the task force no later than August 1, 2021, and shall provide meeting space and administrative assistance as necessary for the task force to conduct its work.

(c) The task force shall meet at least monthly or upon the call of its chair. The task force shall meet sufficiently enough to accomplish the tasks identified in this section. Meetings of the task force are subject to Minnesota Statutes, chapter 13D.

(d) To compile and analyze data, the task force shall request the cooperation and assistance of local law enforcement agencies, the Minnesota Sentencing Guidelines Commission, the judicial branch, the Bureau of Criminal Apprehension, county attorneys, and Tribal governments and may request the cooperation of academics and others with experience and expertise in researching the impact of laws criminalizing aiding and abetting felony murder.

Subd. 5. **Duties.** (a) The task force shall, at a minimum:

(1) collect and analyze data on charges, convictions, and sentences for aiding and abetting felony murder;

(2) collect and analyze data on sentences for aiding and abetting felony murder in which a person received a mitigated durational departure because the person played a minor or passive role in the crime or participated under circumstances of coercion or duress;

(3) collect and analyze data on charges, convictions, and sentences for codefendants of people sentenced for aiding and abetting felony murder;

(4) review relevant state statutes and state and federal court decisions;

(5) receive input from individuals who were convicted of aiding and abetting felony murder;

(6) receive input from family members of individuals who were victims of felony murder;

(7) analyze the benefits and unintended consequences of Minnesota Statutes and practices related to the charging, convicting, and sentencing of people for aiding and abetting felony murder including but not limited to an analysis of whether current statutes and practice:

(i) promote public safety; and

(ii) properly punish people for their role in an offense; and

(8) make recommendations for legislative action, if any, on laws affecting:

(i) the collection and reporting of data; and

(ii) the charging, convicting, and sentencing of people for aiding and abetting felony murder.

(b) At its discretion, the task force may examine, as necessary, other related issues consistent with this section.

Subd. 6. **Report.** On or before January 15, 2022, the task force shall submit a report to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over criminal sentencing on the findings and recommendations of the task force.

Subd. 7. **Expiration.** The task force expires the day after submitting its report under subdivision 6.

EFFECTIVE DATE. This section is effective July 1, 2021.

Sec. 47. **TITLE.**

Sections 5 to 11, 14, 19, 20, and 27 shall be know as the "Hardel Sherrell Act."

Sec. 48. **CORRECTIONAL SUPERVISION WORKING GROUP; TRIBAL GOVERNMENTS.**

Subdivision 1. **Establishment.** Recognizing the sovereignty of Tribal governments and the shared state and Tribal interests in providing effective, responsive, and culturally relevant correctional supervision and services, a working group is established to develop policy, protocols, and procedures for Minnesota-based federally recognized Indian Tribes to participate in the Community Corrections Act subsidy program and make recommendations to the legislature on changes to the law to allow for Tribal supervision.

Subd. 2. **Duties.** The working group shall develop comprehensive recommendations that allow a Minnesota-based federally recognized Indian Tribe, as defined in United States Code, title 25, section 450b(e), to qualify for a grant provided in Minnesota Statutes, section 401.01, by meeting and agreeing to the requirements in Minnesota Statutes, section 401.02, subdivision 1, excluding the population requirement. The working group shall:

(1) develop statutory policy language that provides that interested Tribal governments may participate in the Community Corrections Act grant program;

(2) identify Tribal Community Corrections Act supervision jurisdiction parameters such as Tribal lands, Tribal enrollment, and recognized Tribal affiliation;

(3) develop a court process for determining whether an individual shall receive correctional supervision and services from a Tribal Community Corrections Act authority;

(4) develop an effective and relevant formula for determining the amount of community corrections aid to be paid to a participating Tribal government; and

(5) develop legislation to establish conformance with all other requirements in the Community Corrections Act.

Subd. 3. **Members.** The working group must include the following members:

(1) the commissioner of corrections, or designee;

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

(3) the attorney general, or designee;

(4) a representative of each Minnesota-based federally recognized Indian Tribe appointed by each Tribe;

(5) a representative appointed by the governor;

(6) a representative appointed by the speaker of the house;

(7) a representative appointed by the senate majority leader;

(8) a representative of the State Court Administrators Office appointed by the state court administrator;

(9) Department of Corrections, executive officer of hearings and release;

(10) Department of Corrections, director of field services;

(11) a representative of the Minnesota Indian Affairs Council appointed by the council; and

(12) one representative appointed by each of the following associations:

(i) the Minnesota Association of Community Corrections Act Counties;

(ii) the Minnesota Association of County Probation Officers;

(iii) the Minnesota Sheriffs' Association;

(iv) the Minnesota County Attorney's Association; and

(v) the Association of Minnesota Counties.

Subd. 4. **Meetings.** The commissioner of corrections or a designee shall convene the first meeting of the working group no later than October 15, 2021. Members of the working group shall elect a chair from among the group's members at the first meeting, and the commissioner of corrections or a designee shall serve as the working group's chair until a chair is elected.

Subd. 5. **Compensation.** Members of the working group shall serve without compensation.

Subd. 6. **Administrative support.** The commissioner of corrections shall provide administrative support staff and meeting space for the working group.

Subd. 7. **Report.** The working group shall prepare and submit a report to the chairs of the house of representatives and senate committees and divisions with jurisdiction over public safety not later than March 15, 2022. The working group's report shall minimally include statutory policy language that provides that interested Tribal governments may participate in the Community Corrections Act grant program.

Subd. 8. **Expiration.** The working group expires the earlier of March 16, 2022, or the day after the working group submits the report under subdivision 7.

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

ARTICLE 12
MINNESOTA REHABILITATION AND REINVESTMENT ACT

Section 1. Minnesota Statutes 2020, section 244.03, is amended to read:

244.03 REHABILITATIVE PROGRAMS.

The commissioner shall ~~provide appropriate mental health programs and vocational and educational programs with employment related goals for inmates. The selection, design and implementation of programs under this section shall be the sole responsibility of the commissioner, acting within the limitations imposed by the funds appropriated for such programs~~ develop, implement, and provide appropriate substance abuse treatment programs; sexual offender treatment programming; domestic abuse programming; medical and mental health services; and vocational, employment and career, educational, and other rehabilitative programs for persons committed to the authority of the commissioner.

While evidence-based programs shall be prioritized, the selection, design, and implementation of programs under this section shall be the sole responsibility of the commissioner, acting within the limitations imposed by the funds appropriated for the programs under this section.

No action challenging the level of expenditures for programs authorized under this section, nor any action challenging the selection, design or implementation of these programs, including employee assignments, may be maintained by an ~~inmate~~ incarcerated person in any court in this state.

The commissioner may impose disciplinary sanctions upon any ~~inmate~~ incarcerated person who refuses to participate in rehabilitative programs.

Sec. 2. **[244.031] REHABILITATIVE NEED ASSESSMENT AND INDIVIDUALIZED PROGRAM PLAN REQUIRED.**

(a) The commissioner shall develop a comprehensive need assessment process for each person who is serving a fixed term of imprisonment in a state correctional facility on or after August 1, 2021, and has 365 days or more remaining until the person's scheduled supervised release date.

(b) Upon completion of the assessment process, the commissioner shall ensure the development of an individualized program plan, along with identified goals for every person committed to the authority of the Department of Corrections. The individualized program plan shall be holistic in nature in that it identifies intended outcomes for addressing the incarcerated person's needs and risk factors, the individual's identified strengths, and available and needed community supports, including victim safety considerations as required in section 244.0552, if applicable.

(c) When an individual is committed to the custody of the commissioner for a crime resulting in harm against a person or persons, the commissioner shall provide opportunity for input during the assessment and program plan process. Victim input may include a summary of victim concerns relative to release, concerns related to victim safety during the committed person's term of imprisonment, and requests for imposition of victim safety protocols as additional conditions of imprisonment or supervised release.

(d) The commissioner shall consider victim input statements in program planning and establishing conditions governing confinement or release.

(e) For an individual with less than 365 days remaining until the individual's supervised release date, the commissioner, in consultation with the incarcerated individual, shall develop a transition and release plan.

Sec. 3. **[244.032] EARNED INCENTIVE RELEASE.**

(a) For the purposes of this section, "earned incentive release" means release credit that is earned and subtracted from the term of imprisonment for completion of objectives established by an incarcerated person's individualized program plan.

(b) To encourage and support rehabilitation when consistent with public interest and public safety, the commissioner of corrections, in consultation with the Minnesota County Attorney's Association, Minnesota Board of Public Defense, Minnesota Association of Community Corrections Act Counties, Minnesota Indian Women's Sexual Assault Coalition, Violence Free Minnesota, Minnesota Coalition Against Sexual Assault, Minnesota Alliance on Crime, the Minnesota Sheriff's Association, Minnesota Chiefs of Police Association, and the Minnesota Police and Peace Officers Association, shall establish policy providing for earned incentive release credit and forfeiture of the credit as part of the term of imprisonment. The policy shall:

(1) provide circumstances upon which an incarcerated person may earn incentive release credits, including participation in rehabilitative programming as required under section 244.031; and

(2) address those circumstances where (i) the capacity to provide treatment programming in the correctional facility is diminished but the services are available to the community, and (ii) the conditions under which the incarcerated person could be released to the community-based resource but remain subject to commitment to the commissioner and considered for earned incentive release credit.

(c) The commissioner shall also develop a policy establishing a process for assessing and addressing any systemic and programmatic gender and racial disparities that may be identified in the award of earned incentive release credits.

Sec. 4. **[244.033] APPLICATION OF EARNED INCENTIVE RELEASE CREDIT.**

(a) Earned incentive release credits shall be subtracted from the term of imprisonment but shall not be added to the person's supervised release term. In no case shall the credit reduce the term of imprisonment to less than one-half of the incarcerated person's executed sentence.

(b) The earned incentive release program is separate and distinct from other legislatively authorized release programs, including the challenge incarceration program, work release, conditional medical release, or Conditional Release of Nonviolent Controlled Substance Offenders program, which may have unique statutory requirements and obligations.

Sec. 5. **[244.034] CERTAIN OFFENSES INELIGIBLE FOR EARNED INCENTIVE RELEASE CREDIT.**

(a) A person committed to the commissioner for any of the following offenses shall be ineligible for earned incentive release credit under sections 244.031 to 244.033:

(1) section 609.185, first degree murder, or 609.19, murder in the second degree;

(2) section 609.195, murder in the third degree, or 609.221, assault in the first degree;

(3) section 609.342, first degree criminal sexual conduct, 609.343, second degree criminal sexual conduct, or 609.344, third degree criminal sexual conduct, if the offense was committed with force or violence;

(4) section 609.3455, subdivision 5, dangerous sex offenders, where the court shall specify a minimum term of imprisonment, based on the sentencing guidelines or any applicable mandatory minimum sentence, that must be served before the offender may be considered for supervised release;

(5) section 609.229, subdivision 4, paragraph (b), crimes committed for the benefit of a gang where any person convicted and sentenced as required by section 609.229, subdivision 4, paragraph (a), is not eligible for probation, parole, discharge, work release, or supervised release until that person has served the full term of imprisonment as provided by law;

(6) section 152.026 where a person with a mandatory minimum sentence imposed for a first or second degree controlled substance crime is not eligible for probation, parole, discharge, or supervised release until that person has served the full term of imprisonment as provided by law;

(7) a person who was convicted in any other jurisdiction of a crime and the person's supervision was transferred to this state;

(8) section 243.166, subdivision 5, paragraph (e), predatory offender registration;

(9) section 609.11, subdivision 6, use of firearm or dangerous weapon during the commission of certain offenses;

(10) section 609.221, subdivision 2, paragraph (b), use of deadly force against a peace officer, prosecutor, judge, or correctional employee;

(11) section 609.2231, subdivision 3a, paragraph (d), assault against secure treatment personnel; and

(12) a person subject to a conditional release term under section 609.3455, subdivisions 6 and 7, whether on the present offense or previous offense for which a term of conditional release remains.

(b) Persons serving life sentences, persons given indeterminate sentences for crimes committed on or before April 30, 1980, or persons subject to good time under section 244.04, or similar laws are ineligible for earned incentive release credit.

Sec. 6. Minnesota Statutes 2020, section 244.05, subdivision 1b, is amended to read:

Subd. 1b. **Supervised release; offenders who commit crimes on or after August 1, 1993.** (a) Except as provided in subdivisions 4 and 5, every inmate sentenced to prison for a felony offense committed on or after August 1, 1993, shall serve a supervised release term upon completion of the inmate's term of imprisonment and any disciplinary confinement period imposed by the commissioner due to the inmate's violation of any disciplinary rule adopted by the commissioner or refusal to participate in a rehabilitative program required under section 244.03. The amount of time the inmate serves on supervised release shall be equal in length to the amount of time remaining in the inmate's executed sentence after the inmate has served the term of imprisonment reduced by any earned incentive release credit and any disciplinary confinement period imposed by the commissioner.

(b) No inmate who violates a disciplinary rule or refuses to participate in a rehabilitative program as required under section 244.03 shall be placed on supervised release until the inmate has served the disciplinary confinement period for that disciplinary sanction or until the inmate is discharged or released from punitive ~~segregation~~ restrictive housing confinement, whichever is later. The imposition of a disciplinary confinement period shall be considered to be a disciplinary sanction imposed upon an inmate, and the procedure for imposing the disciplinary confinement period and the rights of the inmate in the procedure shall be those in effect for the imposition of other disciplinary sanctions at each state correctional institution.

Sec. 7. **[244.0551] EARNED COMPLIANCE CREDIT AND SUPERVISION ABATEMENT STATUS.**

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

(1) "supervision abatement status" means an end to active correctional supervision of a supervised individual without effect on the legal expiration date of the executed sentence less any earned incentive release credit; and

(2) "earned compliance credit" means a one-month reduction from the period of active supervision of the supervised release term for every two months that a supervised individual exhibits compliance with the conditions and goals of the individual's supervision plan.

(b) The commissioner of corrections shall adopt policy providing for earned compliance credit and forfeiture of the credit. The commissioner shall adjust the period of an individual's supervised release term for earned compliance credits accrued under a program created under this section. Once a combination of time served, earned incentive credit, along with a term of supervision and earned compliance credits equal the supervised release term, the commissioner shall place the individual on supervision abatement status.

(c) A person whose period of active supervision has been completely reduced as a result of earned compliance credits shall remain on supervision abatement status until the expiration of the executed sentence, less any earned incentive release credit. If an individual is on supervision abatement status and is charged with a new presumptive

commit felony-level crime against a person, the commissioner may return the individual to active supervision and impose any additional sanctions, up to and including revocation from supervised release and return to the custody of the commissioner.

(d) A person who is placed on supervision abatement status under this section may not be required to regularly report to a supervised release agent or pay a supervision fee but must continue to obey all laws, report any new criminal charges, and abide by section 243.1605 before seeking written authorization to relocate to another state.

(e) This section does not apply to persons serving life sentences, persons given indeterminate sentences for crimes committed on or before April 30, 1980, or persons subject to good time under section 244.04, or similar laws.

Sec. 8. **[244.0552] VICTIM INPUT.**

When an individual is committed to the custody of the commissioner for a crime of violence and is eligible for earned incentive release credit under section 244.032, the commissioner shall make reasonable efforts to notify the victim of the committed person's eligibility for earned incentive release. Victim input may include a summary of victim concerns relative to earned incentive release eligibility, concerns related to victim safety during the committed person's term of imprisonment, and requests for imposition of victim safety protocols as additional conditions of imprisonment or supervised release.

The commissioner shall consider victim input statements in establishing requirements governing conditions of release. The commissioner shall provide the name and telephone number of the local victim agency serving the jurisdiction of release to any victim providing input on earned incentive release.

Sec. 9. **[244.0553] VICTIM NOTIFICATION.**

Nothing in sections 244.031 to 244.033 or 244.0551 to 244.0554 limits any victim notification obligations of the commissioner of corrections required by statute related to a change in custody status, committing offense, end of confinement review, or notification registration.

Sec. 10. **[244.0554] INTERSTATE COMPACT.**

As may be allowed by compact requirements established in section 243.1605, a person subject to supervision on a Minnesota sentence in another state under the Interstate Compact for Adult Offender Supervision may be eligible for supervision abatement status pursuant to this chapter only if they meet eligibility criteria as established in this section and certified by a supervising entity in another state.

Sec. 11. **[244.0555] REALLOCATION OF EARNED INCENTIVE RELEASE SAVINGS.**

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

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

(c) "Offender daily cost" means the actual nonsalary expenditures, including encumbrances as of July 31 following the end of the fiscal year, from the Department of Corrections expense budgets for case management, food preparation, food provisions, offender personal support including clothing, linen and other personal supplies, transportation, dental care, nursing services, and professional technical contracted health care services.

(d) "Incarcerated days saved" means the number of days of an incarcerated person's original sentence minus the number of actual days served, excluding days not served due to death or as a result of time earned in the Challenge Incarceration Program under sections 244.17 to 244.173.

(e) "Earned incentive release per day cost savings" means the calculation of the total actual expenses identified in paragraph (c) divided by the average daily population, divided by 365 days, which reflects the daily cost per person.

(f) "Earned incentive release savings" means the calculation of the offender daily cost multiplied by the number of incarcerated days saved for the period of one fiscal year.

Subd. 2. **Establishment of reallocation revenue account.** The reallocation of earned incentive release savings account is established in the special revenue fund in the state treasury. Funds in the account are appropriated to the commissioner and shall be expended in accordance with the allocation established in subdivision 5, once the requirements of subdivision 3 are met. Funds in the account are available until expended.

Subd. 3. **Certification of earned incentive release savings.** On or before the final closeout date of each fiscal year, the commissioner shall certify to Minnesota Management and Budget the earned incentive release savings from the previous fiscal year. The commissioner shall provide the detailed calculation substantiating the savings amount, including accounting system-generated data where possible, supporting the offender daily cost and the incarcerated days saved.

Subd. 4. **Savings to be transferred to the reallocation revenue account.** After the certification in subdivision 3 is completed, the commissioner shall transfer funds from the appropriation from which the savings occurred to the reallocation revenue account according to the allocation in subdivision 5. Transfers shall occur before the final closeout each year.

Subd. 5. **Distribution of reallocation funds.** The commissioner shall distribute funds as follows:

(1) 25 percent shall be transferred to the Office of Justice Programs in the Department of Public Safety for crime victim services;

(2) 25 percent shall be transferred to the Community Corrections Act subsidy appropriation and to the Department of Corrections for supervised release and intensive supervision services, based upon a three-year average of the release jurisdiction of supervised releasees and intensive supervised releasees across the state;

(3) 25 percent shall be transferred to the Department of Corrections for grants to develop and invest in community-based services that support the identified needs of correctionally involved individuals or individuals at risk of criminal justice system involvement, and for sustaining the operation of evidence-based programming and domestic abuse programming in state and local correctional facilities; and

(4) 25 percent shall be transferred to the general fund.

Sec. 12. **[244.0556] REPORTING REQUIRED.**

(a) Beginning January 15, 2022, and by January 15 each year thereafter for a period of ten years, the commissioner of corrections shall provide a report to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over public safety and judiciary on the status of the requirements in this section for the previous fiscal year. The report shall also be provided to the sitting president of the Minnesota Association of Community Corrections Act Counties and the executive directors of the Minnesota Sentencing Guidelines Commission, the Minnesota Indian Women's Sexual Assault Coalition, the Minnesota Alliance on Crime, Violence Free Minnesota, the Minnesota Coalition Against Sexual Assault, and the Minnesota County Attorney Association. The report shall include but not be limited to:

(1) a qualitative description of program development; implementation status; identified implementation or operational challenges; strategies identified to mitigate and ensure that the program does not create or exacerbate gender, racial, and ethnic disparities; the number, reason, and background of those in the prison population deemed ineligible for participation in the program; and proposed mechanisms for projecting future program savings and reallocation of savings;

(2) the number of persons granted earned incentive release, the total number of days of incentive release earned, a summary of committing offenses for those individuals who earned incentive release, the most recent calculated per diem, and the demographic data for all persons eligible for earned incentive release and the reasons and demographic data of those eligible individuals for whom earned incentive release was unearned or denied;

(3) the number of persons who earned supervision abatement status, the total number of days of supervision abatement earned, the committing offenses for those individuals granted supervision abatement status, the number of revocations for reoffense while on supervision abatement status, and the demographic data for all persons eligible for, considered for, granted, or denied supervision abatement status and the reasons supervision abatement status was unearned or denied; and

(4) the number of victims who submitted input, the number of referrals to local victim-serving agencies, and a summary of the kinds of victim services requested.

(b) The commissioner shall solicit feedback on victim-related operational concerns as it relates to the application earned incentive release and supervision abatement status options from the Minnesota Indian Women's Sexual Assault Coalition, Minnesota Alliance on Crime, Minnesota Coalition Against Sexual Assault, and Violence Free Minnesota. A summary of the feedback from these organizations shall be included in the annual report under paragraph (a).

(c) The commissioner shall direct the Department of Corrections' research unit to perform regular evaluation of the earned incentive release program and publish findings on the Department of Corrections' website and in the annual report under paragraph (a).

Sec. 13. **EFFECTIVE DATE.**

Sections 1 to 12 are effective August 1, 2021, and apply to persons sentenced to a fixed executed sentence or to persons serving a fixed term of imprisonment in a state correctional facility on or after that date.

ARTICLE 13
CRIMINAL SEXUAL CONDUCT REFORM

Section 1. Minnesota Statutes 2020, section 243.166, subdivision 1b, is amended to read:

Subd. 1b. **Registration required.** (a) A person shall register under this section if:

(1) the person was charged with or petitioned for a felony violation of or attempt to violate, or aiding, abetting, or conspiracy to commit, any of the following, and convicted of or adjudicated delinquent for that offense or another offense arising out of the same set of circumstances:

(i) murder under section 609.185, paragraph (a), clause (2);

(ii) kidnapping under section 609.25;

(iii) criminal sexual conduct under section 609.342; 609.343; 609.344; 609.345; 609.3451, subdivision 3; or 609.3453;

(iv) indecent exposure under section 617.23, subdivision 3; or

(v) surreptitious intrusion under the circumstances described in section 609.746, subdivision 1, paragraph (f);

(2) the person was charged with or petitioned for a violation of, or attempt to violate, or aiding, abetting, or conspiring to commit any of the following and convicted of or adjudicated delinquent for that offense or another offense arising out of the same set of circumstances:

(i) criminal abuse in violation of section 609.2325, subdivision 1, paragraph (b);

(ii) false imprisonment in violation of section 609.255, subdivision 2;

(iii) solicitation, inducement, or promotion of the prostitution of a minor or engaging in the sex trafficking of a minor in violation of section 609.322;

(iv) a prostitution offense in violation of section 609.324, subdivision 1, paragraph (a);

(v) soliciting a minor to engage in sexual conduct in violation of section 609.352, subdivision 2 or 2a, clause (1);

(vi) using a minor in a sexual performance in violation of section 617.246; or

(vii) possessing pornographic work involving a minor in violation of section 617.247;

(3) the person was sentenced as a patterned sex offender under section 609.3455, subdivision 3a; or

(4) the person was charged with or petitioned for, including pursuant to a court martial, violating a law of the United States, including the Uniform Code of Military Justice, similar to the offenses described in clause (1), (2), or (3), and convicted of or adjudicated delinquent for that offense or another offense arising out of the same set of circumstances.

Notwithstanding clause (1), item (iii), a person is not required to register based on conduct described in section 609.3451, subdivision 3, paragraph (a), unless the person has previously been convicted of violating section 609.342; 609.343; 609.344; 609.345; 609.3451; 609.3453; 617.23, subdivision 2, clause (2), or 3; or 617.247.

(b) A person also shall register under this section if:

(1) the person was charged with or petitioned for an offense in another state that would be a violation of a law described in paragraph (a) if committed in this state and convicted of or adjudicated delinquent for that offense or another offense arising out of the same set of circumstances;

(2) the person enters this state to reside, work, or attend school, or enters this state and remains for 14 days or longer or for an aggregate period of time exceeding 30 days during any calendar year; and

(3) ten years have not elapsed since the person was released from confinement or, if the person was not confined, since the person was convicted of or adjudicated delinquent for the offense that triggers registration, unless the person is subject to a longer registration period under the laws of another state in which the person has been convicted or adjudicated, or is subject to lifetime registration.

If a person described in this paragraph is subject to a longer registration period in another state or is subject to lifetime registration, the person shall register for that time period regardless of when the person was released from confinement, convicted, or adjudicated delinquent.

(c) A person also shall register under this section if the person was committed pursuant to a court commitment order under Minnesota Statutes 2012, section 253B.185, chapter 253D, Minnesota Statutes 1992, section 526.10, or a similar law of another state or the United States, regardless of whether the person was convicted of any offense.

(d) A person also shall register under this section if:

(1) the person was charged with or petitioned for a felony violation or attempt to violate any of the offenses listed in paragraph (a), clause (1), or a similar law of another state or the United States, or the person was charged with or petitioned for a violation of any of the offenses listed in paragraph (a), clause (2), or a similar law of another state or the United States;

(2) the person was found not guilty by reason of mental illness or mental deficiency after a trial for that offense, or found guilty but mentally ill after a trial for that offense, in states with a guilty but mentally ill verdict; and

(3) the person was committed pursuant to a court commitment order under section 253B.18 or a similar law of another state or the United States.

Sec. 2. Minnesota Statutes 2020, section 609.2325, is amended to read:

609.2325 CRIMINAL ABUSE.

Subdivision 1. **Crimes.** ~~(a)~~ A caregiver who, with intent to produce physical or mental pain or injury to a vulnerable adult, subjects a vulnerable adult to any aversive or deprivation procedure, unreasonable confinement, or involuntary seclusion, is guilty of criminal abuse and may be sentenced as provided in subdivision 3.

This ~~paragraph~~ subdivision does not apply to therapeutic conduct.

~~(b) A caregiver, facility staff person, or person providing services in a facility who engages in sexual contact or penetration, as defined in section 609.341, under circumstances other than those described in sections 609.342 to 609.345, with a resident, patient, or client of the facility is guilty of criminal abuse and may be sentenced as provided in subdivision 3.~~

Subd. 2. **Exemptions.** For the purposes of this section, a vulnerable adult is not abused for the sole reason that:

(1) the vulnerable adult or a person with authority to make health care decisions for the vulnerable adult under sections 144.651, 144A.44, chapter 145B, 145C, or 252A, or sections 253B.03 or 524.5-101 to 524.5-502, refuses consent or withdraws consent, consistent with that authority and within the boundary of reasonable medical practice, to any therapeutic conduct, including any care, service, or procedure to diagnose, maintain, or treat the physical or mental condition of the vulnerable adult or, where permitted under law, to provide nutrition and hydration parenterally or through intubation; this paragraph does not enlarge or diminish rights otherwise held under law by:

(i) a vulnerable adult or a person acting on behalf of a vulnerable adult, including an involved family member, to consent to or refuse consent for therapeutic conduct; or

(ii) a caregiver to offer or provide or refuse to offer or provide therapeutic conduct; or

(2) the vulnerable adult, a person with authority to make health care decisions for the vulnerable adult, or a caregiver in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the vulnerable adult in lieu of medical care, provided that this is consistent with the prior practice or belief of the vulnerable adult or with the expressed intentions of the vulnerable adult~~; or~~.

~~(3) the vulnerable adult, who is not impaired in judgment or capacity by mental or emotional dysfunction or undue influence, engages in consensual sexual contact with: (i) a person, including a facility staff person, when a consensual sexual personal relationship existed prior to the caregiving relationship; or (ii) a personal care attendant, regardless of whether the consensual sexual personal relationship existed prior to the caregiving relationship.~~

Subd. 3. **Penalties.** ~~(a)~~ A person who violates subdivision 1~~, paragraph (a),~~ may be sentenced as follows:

(1) if the act results in the death of a vulnerable adult, imprisonment for not more than 15 years or payment of a fine of not more than $30,000, or both;

(2) if the act results in great bodily harm, imprisonment for not more than ten years or payment of a fine of not more than $20,000, or both;

(3) if the act results in substantial bodily harm or the risk of death, imprisonment for not more than five years or payment of a fine of not more than $10,000, or both; or

(4) in other cases, imprisonment for not more than one year or payment of a fine of not more than $3,000, or both.

~~(b) A person who violates subdivision 1, paragraph (b), may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than $3,000, or both.~~

Sec. 3. Minnesota Statutes 2020, section 609.341, subdivision 3, is amended to read:

Subd. 3. **Force.** "Force" means either: (1) the infliction~~,~~ by the actor of bodily harm; or (2) the attempted infliction, or threatened infliction by the actor of bodily harm or commission or threat of any other crime by the actor against the complainant or another, which ~~(a)~~ causes the complainant to reasonably believe that the actor has the present ability to execute the threat ~~and (b) if the actor does not have a significant relationship to the complainant, also causes the complainant to submit~~.

Sec. 4. Minnesota Statutes 2020, section 609.341, subdivision 7, is amended to read:

Subd. 7. **Mentally incapacitated.** "Mentally incapacitated" means:

(1) that a person under the influence of alcohol, a narcotic, anesthetic, or any other substance, administered to that person without the person's agreement, lacks the judgment to give a reasoned consent to sexual contact or sexual penetration; or

(2) that a person is under the influence of any substance or substances to a degree that renders them incapable of consenting or incapable of appreciating, understanding, or controlling the person's conduct.

Sec. 5. Minnesota Statutes 2020, section 609.341, subdivision 11, is amended to read:

Subd. 11. **Sexual contact.** (a) "Sexual contact," for the purposes of sections 609.343, subdivision 1, clauses (a) to ~~(f)~~ (e), and subdivision 1a, clauses (a) to (f) and (i), and 609.345, subdivision 1, clauses (a) to ~~(e),~~ (d) and ~~(h) to (p)~~ (i), and subdivision 1a, clauses (a) to (e), (h), and (i), includes any of the following acts committed without the complainant's consent, except in those cases where consent is not a defense, and committed with sexual or aggressive intent:

(i) the intentional touching by the actor of the complainant's intimate parts, or

(ii) the touching by the complainant of the actor's, the complainant's, or another's intimate parts effected by a person in a current or recent position of authority, or by coercion, or by inducement if the complainant is under ~~13~~ 14 years of age or mentally impaired, or

(iii) the touching by another of the complainant's intimate parts effected by coercion or by a person in a current or recent position of authority, or

(iv) in any of the cases above, the touching of the clothing covering the immediate area of the intimate parts, or

(v) the intentional touching with seminal fluid or sperm by the actor of the complainant's body or the clothing covering the complainant's body.

(b) "Sexual contact," for the purposes of sections 609.343, subdivision ~~1~~ 1a, clauses (g) and (h), and 609.345, subdivision ~~1~~ 1a, clauses (f) and (g), includes any of the following acts committed with sexual or aggressive intent:

(i) the intentional touching by the actor of the complainant's intimate parts;

(ii) the touching by the complainant of the actor's, the complainant's, or another's intimate parts;

(iii) the touching by another of the complainant's intimate parts;

(iv) in any of the cases listed above, touching of the clothing covering the immediate area of the intimate parts; or

(v) the intentional touching with seminal fluid or sperm by the actor of the complainant's body or the clothing covering the complainant's body.

(c) "Sexual contact with a person under ~~13~~ 14" means the intentional touching of the complainant's bare genitals or anal opening by the actor's bare genitals or anal opening with sexual or aggressive intent or the touching by the complainant's bare genitals or anal opening of the actor's or another's bare genitals or anal opening with sexual or aggressive intent.

Sec. 6. Minnesota Statutes 2020, section 609.341, subdivision 12, is amended to read:

Subd. 12. **Sexual penetration.** "Sexual penetration" means any of the following acts committed without the complainant's consent, except in those cases where consent is not a defense, whether or not emission of semen occurs:

(1) sexual intercourse, cunnilingus, fellatio, or anal intercourse; or

(2) any intrusion however slight into the genital or anal openings:

(i) of the complainant's body by any part of the actor's body or any object used by the actor for this purpose;

(ii) of the complainant's body by any part of the body of the complainant, by any part of the body of another person, or by any object used by the complainant or another person for this purpose, when effected by a person in a current or recent position of authority, or by coercion, or by inducement if the child is under ~~13~~ 14 years of age or mentally impaired; or

(iii) of the body of the actor or another person by any part of the body of the complainant or by any object used by the complainant for this purpose, when effected by a person in a current or recent position of authority, or by coercion, or by inducement if the child is under ~~13~~ 14 years of age or mentally impaired.

Sec. 7. Minnesota Statutes 2020, section 609.341, subdivision 14, is amended to read:

Subd. 14. **Coercion.** "Coercion" means the use by the actor of words or circumstances that cause the complainant reasonably to fear ~~that the actor will inflict~~ the infliction of bodily harm upon the complainant or another, or the use by the actor of confinement, or superior size or strength, against the complainant ~~that causes the complainant to submit to sexual penetration or contact against the complainant's will~~ to accomplish the act. Proof of coercion does not require proof of a specific act or threat.

Sec. 8. Minnesota Statutes 2020, section 609.341, subdivision 15, is amended to read:

Subd. 15. **Significant relationship.** "Significant relationship" means a situation in which the actor is:

(1) the complainant's parent, stepparent, or guardian;

(2) any of the following persons related to the complainant by blood, marriage, or adoption: brother, sister, stepbrother, stepsister, first cousin, aunt, uncle, nephew, niece, grandparent, great-grandparent, great-uncle, great-aunt; ~~or~~

(3) an adult who jointly resides intermittently or regularly in the same dwelling as the complainant and who is not the complainant's spouse; or

(4) an adult who is or was involved in a significant romantic or sexual relationship with the parent of a complainant.

Sec. 9. Minnesota Statutes 2020, section 609.341, is amended by adding a subdivision to read:

Subd. 24. **Prohibited occupational relationship.** A "prohibited occupational relationship" exists when the actor is in one of the following occupations and the act takes place under the specified circumstances:

(1) the actor performed massage or other bodywork for hire, the sexual penetration or sexual contact occurred during or immediately before or after the actor performed or was hired to perform one of those services for the complainant, and the sexual penetration or sexual contact was nonconsensual; or

(2) the actor and the complainant were in one of the following occupational relationships at the time of the act. Consent by the complainant is not a defense:

(i) the actor was a psychotherapist, the complainant was the actor's patient, and the sexual penetration or sexual contact occurred during a psychotherapy session or during a period of time when the psychotherapist-patient relationship was ongoing;

(ii) the actor was a psychotherapist and the complainant was the actor's former patient who was emotionally dependent on the actor;

(iii) the actor was or falsely impersonated a psychotherapist, the complainant was the actor's patient or former patient, and the sexual penetration or sexual contact occurred by means of therapeutic deception;

(iv) the actor was or falsely impersonated a provider of medical services to the complainant and the sexual penetration or sexual contact occurred by means of deception or false representation that the sexual penetration or sexual contact was for a bona fide medical purpose;

(v) the actor was or falsely impersonated a member of the clergy, the complainant was not married to the actor, the complainant met with the actor in private seeking or receiving religious or spiritual advice, aid, or comfort from the actor, and the sexual penetration or sexual contact occurred during the course of the meeting or during a period of time when the meetings were ongoing;

(vi) the actor provided special transportation service to the complainant and the sexual penetration or sexual contact occurred during or immediately before or after the actor transported the complainant;

(vii) the actor was or falsely impersonated a peace officer, as defined in section 626.84, the actor physically or constructively restrained the complainant or the complainant did not reasonably feel free to leave the actor's presence, and the sexual penetration or sexual contact was not pursuant to a lawful search or lawful use of force;

(viii) the actor was an employee, independent contractor, or volunteer of a state, county, city, or privately operated adult or juvenile correctional system, or secure treatment facility, or treatment facility providing services to clients civilly committed as mentally ill and dangerous, sexually dangerous persons, or sexual psychopathic personalities, including but not limited to jails, prisons, detention centers, or work release facilities, and the complainant was a resident of a facility or under supervision of the correctional system;

(ix) the complainant was enrolled in a secondary school and:

(A) the actor was a licensed educator employed or contracted to provide service for the school at which the complainant was a student;

(B) the actor was age 18 or older and at least 48 months older than the complainant and was employed or contracted to provide service for the secondary school at which the complainant was a student; or

(C) the actor was age 18 or older and at least 48 months older than the complainant, and was a licensed educator employed or contracted to provide services for an elementary, middle, or secondary school;

(x) the actor was a caregiver, facility staff person, or person providing services in a facility, as defined under section 609.232, subdivision 3, and the complainant was a vulnerable adult who was a resident, patient, or client of the facility who was impaired in judgment or capacity by mental or emotional dysfunction or undue influence; or

(xi) the actor was a caregiver, facility staff person, or person providing services in a facility, and the complainant was a resident, patient, or client of the facility. This clause does not apply if a consensual sexual personal relationship existed prior to the caregiving relationship or if the actor was a personal care attendant.

Sec. 10. Minnesota Statutes 2020, section 609.341, is amended by adding a subdivision to read:

Subd. 25. **Caregiver.** "Caregiver" has the meaning given in section 609.232, subdivision 2.

Sec. 11. Minnesota Statutes 2020, section 609.341, is amended by adding a subdivision to read:

Subd. 26. **Facility.** "Facility" has the meaning given in section 609.232, subdivision 3.

Sec. 12. Minnesota Statutes 2020, section 609.341, is amended by adding a subdivision to read:

Subd. 27. **Vulnerable adult.** "Vulnerable adult" has the meaning given in section 609.232, subdivision 11.

Sec. 13. Minnesota Statutes 2020, section 609.342, is amended to read:

609.342 CRIMINAL SEXUAL CONDUCT IN THE FIRST DEGREE.

Subdivision 1. **Adult victim; crime defined.** A person who engages in sexual penetration with another person~~,~~ ~~or in sexual contact with a person under 13 years of age as defined in section 609.341, subdivision 11, paragraph (c),~~ is guilty of criminal sexual conduct in the first degree if any of the following circumstances exists:

~~(a) the complainant is under 13 years of age and the actor is more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;~~

~~(b) the complainant is at least 13 years of age but less than 16 years of age and the actor is more than 48 months older than the complainant and in a current or recent position of authority over the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;~~

~~(c)~~ (a) circumstances existing at the time of the act cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant or another;

~~(d)~~ (b) the actor is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and uses or threatens to use the weapon or article to cause the complainant to submit;

~~(e)~~ (c) the actor causes personal injury to the complainant, and ~~either~~ any of the following circumstances exist:

(i) the actor uses ~~force or~~ coercion to accomplish the act; ~~or~~

(ii) the actor uses force, as defined in section 609.341, subdivision 3, clause (2); or

~~(ii)~~ (iii) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(d) the actor uses force as defined in section 609.341, subdivision 3, clause (1); or

~~(f)~~ (e) the actor is aided or abetted by one or more accomplices within the meaning of section 609.05, and either of the following circumstances exists:

(i) the actor or an accomplice uses force or coercion to cause the complainant to submit; or

(ii) the actor or an accomplice is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant reasonably to believe it to be a dangerous weapon and uses or threatens to use the weapon or article to cause the complainant to submit~~;~~.

~~(g) the actor has a significant relationship to the complainant and the complainant was under 16 years of age at the time of the act. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense; or~~

~~(h) the actor has a significant relationship to the complainant, the complainant was under 16 years of age at the time of the act, and:~~

~~(i) the actor or an accomplice used force or coercion to accomplish the act;~~

~~(ii) the complainant suffered personal injury; or~~

~~(iii) the sexual abuse involved multiple acts committed over an extended period of time.~~

~~Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense.~~

Subd. 1a. **Victim under the age of 18; crime defined.** A person who engages in penetration with anyone under 18 years of age or sexual contact with a person under 14 years of age as defined in section 609.341, subdivision 11, paragraph (c), is guilty of criminal sexual conduct in the first degree if any of the following circumstances exists:

(a) circumstances existing at the time of the act cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant or another;

(b) the actor is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and uses or threatens to use the weapon or article to cause the complainant to submit;

(c) the actor causes personal injury to the complainant, and any of the following circumstances exist:

(i) the actor uses coercion to accomplish the act;

(ii) the actor uses force, as defined in section 609.341, subdivision 3, clause (2); or

(iii) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(d) the actor is aided or abetted by one or more accomplices within the meaning of section 609.05, and either of the following circumstances exists:

(i) the actor or an accomplice uses force or coercion to cause the complainant to submit; or

(ii) the actor or an accomplice is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and uses or threatens to use the weapon or article to cause the complainant to submit;

(e) the complainant is under 14 years of age and the actor is more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(f) the complainant is at least 14 years of age but less than 16 years of age and:

(i) the actor is more than 36 months older than the complainant; and

(ii) the actor is in a current or recent position of authority over the complainant.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(g) the complainant was under 16 years of age at the time of the act and the actor has a significant relationship to the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(h) the complainant was under 16 years of age at the time of the act, and the actor has a significant relationship to the complainant and any of the following circumstances exist:

(i) the actor or an accomplice used force or coercion to accomplish the act;

(ii) the complainant suffered personal injury; or

(iii) the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense; or

(i) the actor uses force, as defined in section 609.341, subdivision 3, clause (1).

Subd. 2. **Penalty.** (a) Except as otherwise provided in section 609.3455; or Minnesota Statutes 2004, section 609.109, a person convicted under subdivision 1 or subdivision 1a may be sentenced to imprisonment for not more than 30 years or to a payment of a fine of not more than $40,000, or both.

(b) Unless a longer mandatory minimum sentence is otherwise required by law or the Sentencing Guidelines provide for a longer presumptive executed sentence, the court shall presume that an executed sentence of 144 months must be imposed on an offender convicted of violating this section. Sentencing a person in a manner other than that described in this paragraph is a departure from the Sentencing Guidelines.

(c) A person convicted under this section is also subject to conditional release under section 609.3455.

Subd. 3. **Stay.** Except when imprisonment is required under section 609.3455; or Minnesota Statutes 2004, section 609.109, if a person is convicted under subdivision ~~1~~ 1a, clause (g), the court may stay imposition or execution of the sentence if it finds that:

(a) a stay is in the best interest of the complainant or the family unit; and

(b) a professional assessment indicates that the offender has been accepted by and can respond to a treatment program.

If the court stays imposition or execution of sentence, it shall include the following as conditions of probation:

(1) incarceration in a local jail or workhouse;

(2) a requirement that the offender complete a treatment program; and

(3) a requirement that the offender have no unsupervised contact with the complainant until the offender has successfully completed the treatment program unless approved by the treatment program and the supervising correctional agent.

Sec. 14. Minnesota Statutes 2020, section 609.343, is amended to read:

609.343 CRIMINAL SEXUAL CONDUCT IN THE SECOND DEGREE.

Subdivision 1. **Adult victim; crime defined.** A person who engages in sexual contact with another person is guilty of criminal sexual conduct in the second degree if any of the following circumstances exists:

~~(a) the complainant is under 13 years of age and the actor is more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense. In a prosecution under this clause, the state is not required to prove that the sexual contact was coerced;~~

~~(b) the complainant is at least 13 but less than 16 years of age and the actor is more than 48 months older than the complainant and in a current or recent position of authority over the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;~~

~~(c)~~ (a) circumstances existing at the time of the act cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant or another;

~~(d)~~ (b) the actor is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and uses or threatens to use the dangerous weapon to cause the complainant to submit;

~~(e)~~ (c) the actor causes personal injury to the complainant, and ~~either~~ any of the following circumstances exist:

(i) the actor uses ~~force or~~ coercion to accomplish the sexual contact; ~~or~~

(ii) the actor uses force, as defined in section 609.341, subdivision 3, clause (2); or

~~(ii)~~ (iii) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(d) the actor uses force as defined in section 609.341, subdivision 3, clause (1); or

~~(f)~~ (e) the actor is aided or abetted by one or more accomplices within the meaning of section 609.05, and either of the following circumstances exists:

(i) the actor or an accomplice uses force or coercion to cause the complainant to submit; or

(ii) the actor or an accomplice is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and uses or threatens to use the weapon or article to cause the complainant to submit~~;~~.

~~(g) the actor has a significant relationship to the complainant and the complainant was under 16 years of age at the time of the sexual contact. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense; or~~

~~(h) the actor has a significant relationship to the complainant, the complainant was under 16 years of age at the time of the sexual contact, and:~~

~~(i) the actor or an accomplice used force or coercion to accomplish the contact;~~

~~(ii) the complainant suffered personal injury; or~~

~~(iii) the sexual abuse involved multiple acts committed over an extended period of time.~~

~~Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense.~~

Subd. 1a. **Victim under the age of 18; crime defined.** A person who engages in sexual contact with anyone under 18 years of age is guilty of criminal sexual conduct in the second degree if any of the following circumstances exists:

(a) circumstances existing at the time of the act cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant or another;

(b) the actor is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and uses or threatens to use the dangerous weapon to cause the complainant to submit;

(c) the actor causes personal injury to the complainant, and any of the following circumstances exist:

(i) the actor uses coercion to accomplish the sexual contact;

(ii) the actor uses force, as defined in section 609.341, subdivision 3, clause (2); or

(iii) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(d) the actor is aided or abetted by one or more accomplices within the meaning of section 609.05, and either of the following circumstances exists:

(i) the actor or an accomplice uses force or coercion to cause the complainant to submit; or

(ii) the actor or an accomplice is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and uses or threatens to use the weapon or article to cause the complainant to submit;

(e) the complainant is under 14 years of age and the actor is more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense. In a prosecution under this clause, the state is not required to prove that the sexual contact was coerced;

(f) the complainant is at least 14 but less than 16 years of age and the actor is more than 36 months older than the complainant and in a current or recent position of authority over the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(g) the complainant was under 16 years of age at the time of the sexual contact and the actor has a significant relationship to the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(h) the actor has a significant relationship to the complainant, the complainant was under 16 years of age at the time of the sexual contact, and:

(i) the actor or an accomplice used force or coercion to accomplish the contact;

(ii) the complainant suffered personal injury; or

(iii) the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense; or

(i) the actor uses force, as defined in section 609.341, subdivision 3, clause (1).

Subd. 2. **Penalty.** (a) Except as otherwise provided in section 609.3455; or Minnesota Statutes 2004, section 609.109, a person convicted under subdivision 1 or subdivision 1a may be sentenced to imprisonment for not more than 25 years or to a payment of a fine of not more than $35,000, or both.

(b) Unless a longer mandatory minimum sentence is otherwise required by law or the Sentencing Guidelines provide for a longer presumptive executed sentence, the court shall presume that an executed sentence of 90 months must be imposed on an offender convicted of violating subdivision 1, clause (a), (b), (c), (d), or (e), ~~(f),~~ or subdivision 1a, clause (a), (b), (c), (d), ~~or~~ (h), or (i). Sentencing a person in a manner other than that described in this paragraph is a departure from the Sentencing Guidelines.

(c) A person convicted under this section is also subject to conditional release under section 609.3455.

Subd. 3. **Stay.** Except when imprisonment is required under section 609.3455; or Minnesota Statutes 2004, section 609.109, if a person is convicted under subdivision ~~1~~ 1a, clause (g), the court may stay imposition or execution of the sentence if it finds that:

(a) a stay is in the best interest of the complainant or the family unit; and

(b) a professional assessment indicates that the offender has been accepted by and can respond to a treatment program.

If the court stays imposition or execution of sentence, it shall include the following as conditions of probation:

(1) incarceration in a local jail or workhouse;

(2) a requirement that the offender complete a treatment program; and

(3) a requirement that the offender have no unsupervised contact with the complainant until the offender has successfully completed the treatment program unless approved by the treatment program and the supervising correctional agent.

Sec. 15. Minnesota Statutes 2020, section 609.344, is amended to read:

609.344 CRIMINAL SEXUAL CONDUCT IN THE THIRD DEGREE.

Subdivision 1. **Adult victim; crime defined.** A person who engages in sexual penetration with another person is guilty of criminal sexual conduct in the third degree if any of the following circumstances exists:

~~(a) the complainant is under 13 years of age and the actor is no more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant shall be a defense;~~

~~(b) the complainant is at least 13 but less than 16 years of age and the actor is more than 24 months older than the complainant. In any such case if the actor is no more than 120 months older than the complainant, it shall be an affirmative defense, which must be proved by a preponderance of the evidence, that the actor reasonably believes the complainant to be 16 years of age or older. In all other cases, mistake as to the complainant's age shall not be a defense. Consent by the complainant is not a defense;~~

~~(c)~~ (a) the actor uses ~~force or~~ coercion to accomplish the penetration;

~~(d)~~ (b) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(c) the actor uses force, as defined in section 609.341, subdivision 3, clause (2); or

(d) at the time of the act, the actor is in a prohibited occupational relationship with the complainant.

Subd. 1a. **Victim under the age of 18; crime defined.** A person who engages in sexual penetration with anyone under 18 years of age is guilty of criminal sexual conduct in the third degree if any of the following circumstances exists:

(a) the complainant is under 14 years of age and the actor is no more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant shall be a defense;

(b) the complainant is at least 14 but less than 16 years of age and the actor is more than 36 months older than the complainant. In any such case if the actor is no more than 60 months older than the complainant, it shall be an affirmative defense, which must be proved by a preponderance of the evidence, that the actor reasonably believes the complainant to be 16 years of age or older. In all other cases, mistake as to the complainant's age shall not be a defense. Consent by the complainant is not a defense;

(c) the actor uses coercion to accomplish the penetration;

(d) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(e) the complainant is at least 16 but less than 18 years of age and the actor is more than ~~48~~ 36 months older than the complainant and in a current or recent position of authority over the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(f) the actor has a significant relationship to the complainant and the complainant was at least 16 but under 18 years of age at the time of the sexual penetration. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(g) the actor has a significant relationship to the complainant, the complainant was at least 16 but under 18 years of age at the time of the sexual penetration, and:

(i) the actor or an accomplice used force or coercion to accomplish the penetration;

(ii) the complainant suffered personal injury; or

(iii) the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(h) ~~the actor is a psychotherapist and the complainant is a patient of the psychotherapist and the sexual penetration occurred:~~ the actor uses force, as defined in section 609.341, subdivision 3, clause (2); or

(i) at the time of the act, the actor is in a prohibited occupational relationship with the complainant.

~~(i) during the psychotherapy session; or~~

~~(ii) outside the psychotherapy session if an ongoing psychotherapist-patient relationship exists.~~

~~Consent by the complainant is not a defense;~~

~~(i) the actor is a psychotherapist and the complainant is a former patient of the psychotherapist and the former patient is emotionally dependent upon the psychotherapist;~~

~~(j) the actor is a psychotherapist and the complainant is a patient or former patient and the sexual penetration occurred by means of therapeutic deception. Consent by the complainant is not a defense;~~

~~(k) the actor accomplishes the sexual penetration by means of deception or false representation that the penetration is for a bona fide medical purpose. Consent by the complainant is not a defense;~~

~~(1) the actor is or purports to be a member of the clergy, the complainant is not married to the actor, and:~~

~~(i) the sexual penetration occurred during the course of a meeting in which the complainant sought or received religious or spiritual advice, aid, or comfort from the actor in private; or~~

~~(ii) the sexual penetration occurred during a period of time in which the complainant was meeting on an ongoing basis with the actor to seek or receive religious or spiritual advice, aid, or comfort in private. Consent by the complainant is not a defense;~~

~~(m) the actor is an employee, independent contractor, or volunteer of a state, county, city, or privately operated adult or juvenile correctional system, or secure treatment facility, or treatment facility providing services to clients civilly committed as mentally ill and dangerous, sexually dangerous persons, or sexual psychopathic personalities, including, but not limited to, jails, prisons, detention centers, or work release facilities, and the complainant is a resident of a facility or under supervision of the correctional system. Consent by the complainant is not a defense;~~

~~(n) the actor provides or is an agent of an entity that provides special transportation service, the complainant used the special transportation service, and the sexual penetration occurred during or immediately before or after the actor transported the complainant. Consent by the complainant is not a defense;~~

~~(o) the actor performs massage or other bodywork for hire, the complainant was a user of one of those services, and nonconsensual sexual penetration occurred during or immediately before or after the actor performed or was hired to perform one of those services for the complainant; or~~

~~(p) the actor is a peace officer, as defined in section 626.84, and the officer physically or constructively restrains the complainant or the complainant does not reasonably feel free to leave the officer's presence. Consent by the complainant is not a defense. This paragraph does not apply to any penetration of the mouth, genitals, or anus during a lawful search.~~

Subd. 2. **Penalty.** Except as otherwise provided in section 609.3455, a person convicted under subdivision 1 or subdivision 1a may be sentenced:

(1) to imprisonment for not more than 15 years or to a payment of a fine of not more than $30,000, or both; or

(2) if the person was convicted under subdivision ~~1~~ 1a, paragraph (b), and if the actor was no more than 48 months but more than 24 months older than the complainant, to imprisonment for not more than five years or a fine of not more than $30,000, or both.

A person convicted under this section is also subject to conditional release under section 609.3455.

Subd. 3. **Stay.** Except when imprisonment is required under section 609.3455; or Minnesota Statutes 2004, section 609.109, if a person is convicted under subdivision ~~1~~ 1a, clause (f), the court may stay imposition or execution of the sentence if it finds that:

(a) a stay is in the best interest of the complainant or the family unit; and

(b) a professional assessment indicates that the offender has been accepted by and can respond to a treatment program.

If the court stays imposition or execution of sentence, it shall include the following as conditions of probation:

(1) incarceration in a local jail or workhouse;

(2) a requirement that the offender complete a treatment program; and

(3) a requirement that the offender have no unsupervised contact with the complainant until the offender has successfully completed the treatment program unless approved by the treatment program and the supervising correctional agent.

Sec. 16. Minnesota Statutes 2020, section 609.345, is amended to read:

609.345 CRIMINAL SEXUAL CONDUCT IN THE FOURTH DEGREE.

Subdivision 1. **Adult victim; crime defined.** A person who engages in sexual contact with another person is guilty of criminal sexual conduct in the fourth degree if any of the following circumstances exists:

~~(a) the complainant is under 13 years of age and the actor is no more than 36 months older than the complainant. Neither mistake as to the complainant's age or consent to the act by the complainant is a defense. In a prosecution under this clause, the state is not required to prove that the sexual contact was coerced;~~

~~(b) the complainant is at least 13 but less than 16 years of age and the actor is more than 48 months older than the complainant or in a current or recent position of authority over the complainant. Consent by the complainant to the act is not a defense. In any such case, if the actor is no more than 120 months older than the complainant, it shall be an affirmative defense which must be proved by a preponderance of the evidence that the actor reasonably believes the complainant to be 16 years of age or older. In all other cases, mistake as to the complainant's age shall not be a defense;~~

~~(c)~~ (a) the actor uses ~~force or~~ coercion to accomplish the sexual contact;

~~(d)~~ (b) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(c) the actor uses force, as defined in section 609.341, subdivision 3, clause (2); or

(d) at the time of the act, the actor is in a prohibited occupational relationship with the complainant.

Subd. 1a. **Victim under the age of 18; crime defined.** A person who engages in sexual contact with anyone under 18 years of age is guilty of criminal sexual conduct in the fourth degree if any of the following circumstances exists:

(a) the complainant is under 14 years of age and the actor is no more than 36 months older than the complainant. Neither mistake as to the complainant's age or consent to the act by the complainant is a defense. In a prosecution under this clause, the state is not required to prove that the sexual contact was coerced;

(b) the complainant is at least 14 but less than 16 years of age and the actor is more than 36 months older than the complainant or in a current or recent position of authority over the complainant. Consent by the complainant to the act is not a defense.

Mistake of age is not a defense unless actor is less than 60 months older. In any such case, if the actor is no more than 60 months older than the complainant, it shall be an affirmative defense which must be proved by a preponderance of the evidence that the actor reasonably believes the complainant to be 16 years of age or older. In all other cases, mistake as to the complainant's age shall not be a defense;

(c) the actor uses coercion to accomplish the sexual contact;

(d) The actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(e) the complainant is at least 16 but less than 18 years of age and the actor is more than ~~48~~ 36 months older than the complainant and in a current or recent position of authority over the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(f) the actor has a significant relationship to the complainant and the complainant was at least 16 but under 18 years of age at the time of the sexual contact. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(g) the actor has a significant relationship to the complainant, the complainant was at least 16 but under 18 years of age at the time of the sexual contact, and:

(i) the actor or an accomplice used force or coercion to accomplish the contact;

(ii) the complainant suffered personal injury; or

(iii) the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(h) ~~the actor is a psychotherapist and the complainant is a patient of the psychotherapist and the sexual contact occurred:~~ the actor uses force, as defined in section 609.341, subdivision 3, clause (2); or

(i) at the time of the act, the actor is in a prohibited occupational relationship with the complainant.

~~(i) during the psychotherapy session; or~~

~~(ii) outside the psychotherapy session if an ongoing psychotherapist patient relationship exists. Consent by the complainant is not a defense;~~

~~(i) the actor is a psychotherapist and the complainant is a former patient of the psychotherapist and the former patient is emotionally dependent upon the psychotherapist;~~

~~(j) the actor is a psychotherapist and the complainant is a patient or former patient and the sexual contact occurred by means of therapeutic deception. Consent by the complainant is not a defense;~~

~~(k) the actor accomplishes the sexual contact by means of deception or false representation that the contact is for a bona fide medical purpose. Consent by the complainant is not a defense;~~

~~(l) the actor is or purports to be a member of the clergy, the complainant is not married to the actor, and:~~

~~(i) the sexual contact occurred during the course of a meeting in which the complainant sought or received religious or spiritual advice, aid, or comfort from the actor in private; or~~

~~(ii) the sexual contact occurred during a period of time in which the complainant was meeting on an ongoing basis with the actor to seek or receive religious or spiritual advice, aid, or comfort in private. Consent by the complainant is not a defense;~~

~~(m) the actor is an employee, independent contractor, or volunteer of a state, county, city, or privately operated adult or juvenile correctional system, or secure treatment facility, or treatment facility providing services to clients civilly committed as mentally ill and dangerous, sexually dangerous persons, or sexual psychopathic personalities, including, but not limited to, jails, prisons, detention centers, or work release facilities, and the complainant is a resident of a facility or under supervision of the correctional system. Consent by the complainant is not a defense;~~

~~(n) the actor provides or is an agent of an entity that provides special transportation service, the complainant used the special transportation service, the complainant is not married to the actor, and the sexual contact occurred during or immediately before or after the actor transported the complainant. Consent by the complainant is not a defense;~~

~~(o) the actor performs massage or other bodywork for hire, the complainant was a user of one of those services, and nonconsensual sexual contact occurred during or immediately before or after the actor performed or was hired to perform one of those services for the complainant; or~~

~~(p) the actor is a peace officer, as defined in section 626.84, and the officer physically or constructively restrains the complainant or the complainant does not reasonably feel free to leave the officer's presence. Consent by the complainant is not a defense.~~

Subd. 2. **Penalty.** Except as otherwise provided in section 609.3455, a person convicted under subdivision 1 or subdivision 1a may be sentenced to imprisonment for not more than ten years or to a payment of a fine of not more than $20,000, or both. A person convicted under this section is also subject to conditional release under section 609.3455.

Subd. 3. **Stay.** Except when imprisonment is required under section 609.3455; or Minnesota Statutes 2004, section 609.109, if a person is convicted under subdivision ~~1~~ 1a, clause (f), the court may stay imposition or execution of the sentence if it finds that:

(a) a stay is in the best interest of the complainant or the family unit; and

(b) a professional assessment indicates that the offender has been accepted by and can respond to a treatment program.

If the court stays imposition or execution of sentence, it shall include the following as conditions of probation:

(1) incarceration in a local jail or workhouse;

(2) a requirement that the offender complete a treatment program; and

(3) a requirement that the offender have no unsupervised contact with the complainant until the offender has successfully completed the treatment program unless approved by the treatment program and the supervising correctional agent.

Sec. 17. Minnesota Statutes 2020, section 609.3451, is amended to read:

609.3451 CRIMINAL SEXUAL CONDUCT IN THE FIFTH DEGREE.

Subdivision 1. **Sexual penetration; crime defined.** A person is guilty of criminal sexual conduct in the fifth degree~~:~~ if the person engages in nonconsensual sexual penetration.

Subd. 1a. **Sexual contact; child present; crime defined.** A person is guilty of criminal sexual conduct in the fifth degree if:

(1) ~~if~~ the person engages in nonconsensual sexual contact; or

(2) the person engages in masturbation or lewd exhibition of the genitals in the presence of a minor under the age of 16, knowing or having reason to know the minor is present.

For purposes of this section, "sexual contact" has the meaning given in section 609.341, subdivision 11, paragraph (a), clauses (i), (iv), and (v). Sexual contact also includes the intentional removal or attempted removal of clothing covering the complainant's intimate parts or undergarments, and the nonconsensual touching by the complainant of the actor's intimate parts, effected by the actor, if the action is performed with sexual or aggressive intent.

Subd. 2. **Gross misdemeanor.** A person convicted under subdivision ~~1~~ 1a may be sentenced to imprisonment for not more than one year or to a payment of a fine of not more than $3,000, or both.

Subd. 3. **Felony.** (a) A person is guilty of a felony and may be sentenced to imprisonment for not more than two years or to payment of a fine of not more than $10,000, or both, if the person violates subdivision 1.

(b) A person is guilty of a felony and may be sentenced to imprisonment for not more than seven years or to payment of a fine of not more than $14,000, or both, if the person violates ~~this section~~ subdivision 1 or 1a within ~~seven~~ ten years of:

(1) conviction or adjudication under subdivision 1; or

(2) a previous conviction or adjudication for violating subdivision ~~1~~ 1a, clause (2), ~~a crime described in paragraph (b),~~ or a statute from another state in conformity with any of these offenses; or

~~(2)~~ (3) the first of two or more previous convictions for violating subdivision ~~1~~ 1a, clause (1), or a statute from another state in conformity with this offense.

~~(b)~~ (c) A previous conviction for violating section 609.342; 609.343; 609.344; 609.345; 609.3453; 617.23, subdivision 2, clause (2), or subdivision 3; or 617.247 may be used to enhance a criminal penalty as provided in paragraph (a).

Sec. 18. Minnesota Statutes 2020, section 609.3455, is amended to read:

609.3455 DANGEROUS SEX OFFENDERS; LIFE SENTENCES; CONDITIONAL RELEASE.

Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the meanings given.

(b) "Conviction" includes a conviction as an extended jurisdiction juvenile under section 260B.130 for a violation of, or an attempt to violate, section 609.342, 609.343, 609.344, ~~or~~ 609.3453, or 609.3458, if the adult sentence has been executed.

(c) "Extreme inhumane conditions" mean situations where, either before or after the sexual penetration or sexual contact, the offender knowingly causes or permits the complainant to be placed in a situation likely to cause the complainant severe ongoing mental, emotional, or psychological harm, or causes the complainant's death.

(d) A "heinous element" includes:

(1) the offender tortured the complainant;

(2) the offender intentionally inflicted great bodily harm upon the complainant;

(3) the offender intentionally mutilated the complainant;

(4) the offender exposed the complainant to extreme inhumane conditions;

(5) the offender was armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and used or threatened to use the weapon or article to cause the complainant to submit;

(6) the offense involved sexual penetration or sexual contact with more than one victim;

(7) the offense involved more than one perpetrator engaging in sexual penetration or sexual contact with the complainant; or

(8) the offender, without the complainant's consent, removed the complainant from one place to another and did not release the complainant in a safe place.

(e) "Mutilation" means the intentional infliction of physical abuse designed to cause serious permanent disfigurement or permanent or protracted loss or impairment of the functions of any bodily member or organ, where the offender relishes the infliction of the abuse, evidencing debasement or perversion.

(f) A conviction is considered a "previous sex offense conviction" if the offender was convicted and sentenced for a sex offense before the commission of the present offense.

(g) A conviction is considered a "prior sex offense conviction" if the offender was convicted of committing a sex offense before the offender has been convicted of the present offense, regardless of whether the offender was convicted for the first offense before the commission of the present offense, and the convictions involved separate behavioral incidents.

(h) "Sex offense" means any violation of, or attempt to violate, section 609.342, 609.343, 609.344, 609.345, 609.3451, 609.3453, 609.3458, or any similar statute of the United States, this state, or any other state.

(i) "Torture" means the intentional infliction of extreme mental anguish, or extreme psychological or physical abuse, when committed in an especially depraved manner.

(j) An offender has "two previous sex offense convictions" only if the offender was convicted and sentenced for a sex offense committed after the offender was earlier convicted and sentenced for a sex offense and both convictions preceded the commission of the present offense of conviction.

Subd. 2. **Mandatory life sentence without release; egregious first-time and repeat offenders.** (a) Notwithstanding the statutory maximum penalty otherwise applicable to the offense, the court shall sentence a person convicted under section 609.342, subdivision 1, paragraph (a), (b), (c), (d), or (e)~~, (f), or (h)~~; ~~or~~ 609.342, subdivision 1a, clause (a), (b), (c), (d), (h), or (i); 609.343, subdivision 1, paragraph (a), (b), (c), (d), or (e)~~, (f),~~; or ~~(h)~~ 609.343, subdivision 1a, clause (a), (b), (c), (d), (h), or (i), to life without the possibility of release if:

(1) the fact finder determines that two or more heinous elements exist; or

(2) the person has a previous sex offense conviction for a violation of section 609.342, 609.343, ~~or~~ 609.344, or 609.3458, and the fact finder determines that a heinous element exists for the present offense.

(b) A fact finder may not consider a heinous element if it is an element of the underlying specified violation of section 609.342 or 609.343. In addition, when determining whether two or more heinous elements exist, the fact finder may not use the same underlying facts to support a determination that more than one element exists.

Subd. 3. **Mandatory life sentence for egregious first-time offenders.** (a) Notwithstanding the statutory maximum penalty otherwise applicable to the offense, the court shall sentence a person to imprisonment for life if the person is convicted under section 609.342, subdivision 1, paragraph (a), (b), (c), (d), or (e)~~, (f), or (h), or~~; 609.342, subdivision 1a, clause (a), (b), (c), (d), (h), or (i); 609.343, subdivision 1, paragraph (a), (b), (c), (d), or (e)~~, (f), or (h)~~; or 609.343, subdivision 1a, clause (a), (b), (c), (d), (h), or (i); and the fact finder determines that a heinous element exists.

(b) The fact finder may not consider a heinous element if it is an element of the underlying specified violation of section 609.342 or 609.343.

Subd. 3a. **Mandatory sentence for certain engrained offenders.** (a) A court shall commit a person to the commissioner of corrections for a period of time that is not less than double the presumptive sentence under the sentencing guidelines and not more than the statutory maximum, or if the statutory maximum is less than double the presumptive sentence, for a period of time that is equal to the statutory maximum, if:

(1) the court is imposing an executed sentence on a person convicted of committing or attempting to commit a violation of section 609.342, 609.343, 609.344, 609.345, ~~or~~ 609.3453, or 609.3458;

(2) the fact finder determines that the offender is a danger to public safety; and

(3) the fact finder determines that the offender's criminal sexual behavior is so engrained that the risk of reoffending is great without intensive psychotherapeutic intervention or other long-term treatment or supervision extending beyond the presumptive term of imprisonment and supervised release.

(b) The fact finder shall base its determination that the offender is a danger to public safety on any of the following factors:

(1) the crime involved an aggravating factor that would justify a durational departure from the presumptive sentence under the sentencing guidelines;

(2) the offender previously committed or attempted to commit a predatory crime or a violation of section 609.224 or 609.2242, including:

(i) an offense committed as a juvenile that would have been a predatory crime or a violation of section 609.224 or 609.2242 if committed by an adult; or

(ii) a violation or attempted violation of a similar law of any other state or the United States; or

(3) the offender planned or prepared for the crime prior to its commission.

(c) As used in this section, "predatory crime" has the meaning given in section 609.341, subdivision 22.

Subd. 4. **Mandatory life sentence; repeat offenders.** (a) Notwithstanding the statutory maximum penalty otherwise applicable to the offense, the court shall sentence a person to imprisonment for life if the person is convicted of violating section 609.342, 609.343, 609.344, 609.345, ~~or~~ 609.3453, or 609.3458 and:

(1) the person has two previous sex offense convictions;

(2) the person has a previous sex offense conviction and:

(i) the fact finder determines that the present offense involved an aggravating factor that would provide grounds for an upward durational departure under the sentencing guidelines other than the aggravating factor applicable to repeat criminal sexual conduct convictions;

(ii) the person received an upward durational departure from the sentencing guidelines for the previous sex offense conviction; or

(iii) the person was sentenced under this section or Minnesota Statutes 2004, section 609.108, for the previous sex offense conviction; or

(3) the person has two prior sex offense convictions, and the fact finder determines that the prior convictions and present offense involved at least three separate victims, and:

(i) the fact finder determines that the present offense involved an aggravating factor that would provide grounds for an upward durational departure under the sentencing guidelines other than the aggravating factor applicable to repeat criminal sexual conduct convictions;

(ii) the person received an upward durational departure from the sentencing guidelines for one of the prior sex offense convictions; or

(iii) the person was sentenced under this section or Minnesota Statutes 2004, section 609.108, for one of the prior sex offense convictions.

(b) Notwithstanding paragraph (a), a court may not sentence a person to imprisonment for life for a violation of section 609.345, unless the person's previous or prior sex offense convictions that are being used as the basis for the sentence are for violations of section 609.342, 609.343, 609.344, ~~or~~ 609.3453, or 609.3458, or any similar statute of the United States, this state, or any other state.

Subd. 5. **Life sentences; minimum term of imprisonment.** At the time of sentencing under subdivision 3 or 4, the court shall specify a minimum term of imprisonment, based on the sentencing guidelines or any applicable mandatory minimum sentence, that must be served before the offender may be considered for supervised release.

Subd. 6. **Mandatory ten-year conditional release term.** Notwithstanding the statutory maximum sentence otherwise applicable to the offense and unless a longer conditional release term is required in subdivision 7, when a court commits an offender to the custody of the commissioner of corrections for a violation of section 609.342, 609.343, 609.344, 609.345, ~~or~~ 609.3453, or 609.3458, the court shall provide that, after the offender has been released from prison, the commissioner shall place the offender on conditional release for ten years.

Subd. 7. **Mandatory lifetime conditional release term.** (a) When a court sentences an offender under subdivision 3 or 4, the court shall provide that, if the offender is released from prison, the commissioner of corrections shall place the offender on conditional release for the remainder of the offender's life.

(b) Notwithstanding the statutory maximum sentence otherwise applicable to the offense, when the court commits an offender to the custody of the commissioner of corrections for a violation of section 609.342, 609.343, 609.344, 609.345, ~~or~~ 609.3453, or 609.3458, and the offender has a previous or prior sex offense conviction, the court shall provide that, after the offender has been released from prison, the commissioner shall place the offender on conditional release for the remainder of the offender's life.

(c) Notwithstanding paragraph (b), an offender may not be placed on lifetime conditional release for a violation of section 609.345, unless the offender's previous or prior sex offense conviction is for a violation of section 609.342, 609.343, 609.344, ~~or~~ 609.3453, or 609.3458, or any similar statute of the United States, this state, or any other state.

Subd. 8. **Terms of conditional release; applicable to all sex offenders.** (a) The provisions of this subdivision relating to conditional release apply to all sex offenders sentenced to prison for a violation of section 609.342, 609.343, 609.344, 609.345, ~~or~~ 609.3453, or 609.3458. Except as provided in this subdivision, conditional release of sex offenders is governed by provisions relating to supervised release. The commissioner of corrections may not dismiss an offender on conditional release from supervision until the offender's conditional release term expires.

(b) The conditions of release may include successful completion of treatment and aftercare in a program approved by the commissioner, satisfaction of the release conditions specified in section 244.05, subdivision 6, and any other conditions the commissioner considers appropriate. The commissioner shall develop a plan to pay the cost of treatment of a person released under this subdivision. The plan may include co-payments from offenders, third-party payers, local agencies, or other funding sources as they are identified. This section does not require the commissioner to accept or retain an offender in a treatment program. Before the offender is placed on conditional release, the commissioner shall notify the sentencing court and the prosecutor in the jurisdiction where the offender was sentenced of the terms of the offender's conditional release. The commissioner also shall make reasonable efforts to notify the victim of the offender's crime of the terms of the offender's conditional release.

(c) If the offender fails to meet any condition of release, the commissioner may revoke the offender's conditional release and order that the offender serve all or a part of the remaining portion of the conditional release term in prison. An offender, while on supervised release, is not entitled to credit against the offender's conditional release term for time served in confinement for a violation of release.

Subd. 9. **Applicability.** The provisions of this section do not affect the applicability of Minnesota Statutes 2004, section 609.108, to crimes committed before August 1, 2005, or the validity of sentences imposed under Minnesota Statutes 2004, section 609.108.

Subd. 10. **Presumptive executed sentence for repeat sex offenders.** Except as provided in subdivision 2, 3, 3a, or 4, if a person is convicted under sections 609.342 to 609.345 or 609.3453 within 15 years of a previous sex offense conviction, the court shall commit the defendant to the commissioner of corrections for not less than three years, nor more than the maximum sentence provided by law for the offense for which convicted, notwithstanding sections 242.19, 243.05, 609.11, 609.12, and 609.135. The court may stay the execution of the sentence imposed under this subdivision only if it finds that a professional assessment indicates the offender is accepted by and can respond to treatment at a long-term inpatient program exclusively treating sex offenders and approved by the commissioner of corrections. If the court stays the execution of a sentence, it shall include the following as conditions of probation:

(1) incarceration in a local jail or workhouse; and

(2) a requirement that the offender successfully complete the treatment program and aftercare as directed by the court.

Sec. 19. **[609.3458] SEXUAL EXTORTION.**

Subdivision 1. **Crime defined.** (a) A person who engages in sexual contact with another person and compels the other person to submit to the contact by making any of the following threats, directly or indirectly, is guilty of sexual extortion:

(1) a threat to withhold or harm the complainant's trade, business, profession, position, employment, or calling;

(2) a threat to make or cause to be made a criminal charge against the complainant, whether true or false;

(3) a threat to report the complainant's immigration status to immigration or law enforcement authorities;

(4) a threat to disseminate private sexual images of the complainant as specified in section 617.261, nonconsensual dissemination of private sexual images;

(5) a threat to expose information that the actor knows the complainant wishes to keep confidential; or

(6) a threat to withhold complainant's housing, or to cause complainant a loss or disadvantage in the complainant's housing, or a change in the cost of complainant's housing.

(b) A person who engages in sexual penetration with another person and compels the other person to submit to such penetration by making any of the following threats, directly or indirectly, is guilty of sexual extortion:

(1) a threat to withhold or harm the complainant's trade, business, profession, position, employment, or calling;

(2) a threat to make or cause to be made a criminal charge against the complainant, whether true or false;

(3) a threat to report the complainant's immigration status to immigration or law enforcement authorities;

(4) a threat to disseminate private sexual images of the complainant as specified in section 617.261, nonconsensual dissemination of private sexual images;

(5) a threat to expose information that the actor knows the complainant wishes to keep confidential; or

(6) a threat to withhold complainant's housing, or to cause complainant a loss or disadvantage in the complainant's housing, or a change in the cost of complainant's housing.

Subd. 2. **Penalty.** (a) A person is guilty of a felony and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than $20,000, or both, if the person violates subdivision 1, paragraph (a).

(b) A person is guilty of a felony and may be sentenced to imprisonment for not more than 15 years or to payment of a fine of not more than $30,000, or both, if the person violates subdivision 1, paragraph (b).

(c) A person convicted under this section is also subject to conditional release under section 609.3455.

Subd. 3. **No attempt charge.** Notwithstanding section 609.17, no person may be charged with or convicted of an attempt to commit a violation of this section.

Sec. 20. Minnesota Statutes 2020, section 609.347, is amended by adding a subdivision to read:

Subd. 8. **Voluntary intoxication defense for certain mentally incapacitated cases; clarification of applicability.** (a) The "knows or has reason to know" mental state requirement for violations of sections 609.342 to 609.345 involving a complainant who is mentally incapacitated, as defined in section 609.341, subdivision 7, clause (2), is a specific intent crime for purposes of determining the applicability of the voluntary intoxication defense described in section 609.075. This defense may be raised by a defendant if the defense is otherwise applicable under section 609.075 and related case law.

(b) Nothing in paragraph (a) may be interpreted to change the application of the defense to other crimes.

(c) Nothing in paragraph (a) is intended to change the scope or limitations of the defense or case law interpreting it beyond clarifying that the defense is available to a defendant described in paragraph (a).

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to crimes committed on or after that date.

Sec. 21. Minnesota Statutes 2020, section 624.712, subdivision 5, is amended to read:

Subd. 5. **Crime of violence.** "Crime of violence" means: felony convictions of the following offenses: sections 609.185 (murder in the first degree); 609.19 (murder in the second degree); 609.195 (murder in the third degree); 609.20 (manslaughter in the first degree); 609.205 (manslaughter in the second degree); 609.215 (aiding suicide and aiding attempted suicide); 609.221 (assault in the first degree); 609.222 (assault in the second degree); 609.223 (assault in the third degree); 609.2231 (assault in the fourth degree); 609.224 (assault in the fifth degree); 609.2242 (domestic assault); 609.2247 (domestic assault by strangulation); 609.229 (crimes committed for the benefit of a gang); 609.235 (use of drugs to injure or facilitate crime); 609.24 (simple robbery); 609.245 (aggravated robbery); 609.25 (kidnapping); 609.255 (false imprisonment); 609.322 (solicitation, inducement, and promotion of prostitution; sex trafficking); 609.342 (criminal sexual conduct in the first degree); 609.343 (criminal sexual conduct in the second degree); 609.344 (criminal sexual conduct in the third degree); 609.345 (criminal sexual conduct in the fourth degree); 609.3458 (sexual extortion); 609.377 (malicious punishment of a child); 609.378 (neglect or endangerment of a child); 609.486 (commission of crime while wearing or possessing a bullet-resistant vest); 609.52 (involving theft of a firearm and theft involving the theft of a controlled substance, an explosive, or an incendiary device); 609.561 (arson in the first degree); 609.562 (arson in the second degree); 609.582, subdivision 1 or 2

(burglary in the first and second degrees); 609.66, subdivision 1e (drive-by shooting); 609.67 (unlawfully owning, possessing, operating a machine gun or short-barreled shotgun); 609.71 (riot); 609.713 (terroristic threats); 609.749 (harassment); 609.855, subdivision 5 (shooting at a public transit vehicle or facility); and chapter 152 (drugs, controlled substances); and an attempt to commit any of these offenses.

Sec. 22. **PREDATORY OFFENDER STATUTORY FRAMEWORK WORKING GROUP; REPORT.**

Subdivision 1. **Direction.** By September 1, 2021, the commissioner of public safety shall convene a working group to comprehensively assess the predatory offender statutory framework. The commissioner shall invite representatives from the Department of Corrections with specific expertise on juvenile justice reform, city and county prosecuting agencies, statewide crime victim coalitions, the Minnesota judicial branch, the Minnesota Board of Public Defense, private criminal defense attorneys, the Department of Public Safety, the Department of Human Services, the Sentencing Guidelines Commission, state and local law enforcement agencies, and other interested parties to participate in the working group. The commissioner shall ensure that the membership of the working group is balanced among the various representatives and reflects a broad spectrum of viewpoints, and is inclusive of marginalized communities as well as victim and survivor voices.

Subd. 2. **Duties.** The working group must examine and assess the predatory offender registration (POR) laws, including, but not limited to, the requirements placed on offenders, the crimes for which POR is required, the method by which POR requirements are applied to offenders, and the effectiveness of the POR system in achieving its stated purpose. Governmental agencies that hold POR data shall provide the working group with public POR data upon request. The working group is encouraged to request the assistance of the state court administrator's office to obtain relevant POR data maintained by the court system.

Subd. 3. **Report to legislature.** The commissioner shall file a report detailing the working group's findings and recommendations with the chairs and ranking minority members of the house of representatives and senate committees and divisions having jurisdiction over public safety and judiciary policy and finance by January 15, 2022.

Sec. 23. **REVISOR INSTRUCTION.**

(a) The revisor of statutes shall make necessary cross-reference changes and remove statutory cross-references in Minnesota Statutes to conform with this act. The revisor may make technical and other necessary changes to language and sentence structure to preserve the meaning of the text.

(b) In Minnesota Statutes, the revisor of statutes shall modify the headnote to Minnesota Statutes, section 609.347, to reflect the amendment to that section contained in this act.

ARTICLE 14
CRIMINAL AND SENTENCING PROVISIONS

Section 1. Minnesota Statutes 2020, section 244.05, subdivision 1b, is amended to read:

Subd. 1b. **Supervised release; offenders who commit crimes on or after August 1, 1993.** (a) Except as provided in subdivisions 4, 4a, and 5, every inmate sentenced to prison for a felony offense committed on or after August 1, 1993, shall serve a supervised release term upon completion of the inmate's term of imprisonment and any disciplinary confinement period imposed by the commissioner due to the inmate's violation of any disciplinary rule adopted by the commissioner or refusal to participate in a rehabilitative program required under section 244.03. The amount of time the inmate serves on supervised release shall be equal in length to the amount of time remaining in the inmate's executed sentence after the inmate has served the term of imprisonment and any disciplinary confinement period imposed by the commissioner.

(b) No inmate who violates a disciplinary rule or refuses to participate in a rehabilitative program as required under section 244.03 shall be placed on supervised release until the inmate has served the disciplinary confinement period for that disciplinary sanction or until the inmate is discharged or released from punitive segregation confinement, whichever is later. The imposition of a disciplinary confinement period shall be considered to be a disciplinary sanction imposed upon an inmate, and the procedure for imposing the disciplinary confinement period and the rights of the inmate in the procedure shall be those in effect for the imposition of other disciplinary sanctions at each state correctional institution.

Sec. 2. Minnesota Statutes 2020, section 244.05, subdivision 4, is amended to read:

Subd. 4. **Minimum imprisonment, life sentence.** (a) An inmate serving a mandatory life sentence under section 609.106, subdivision 2, or 609.3455, subdivision 2, paragraph (a), must not be given supervised release under this section.

(b) Except as provided in paragraph (f), an inmate serving a mandatory life sentence under section 609.185, paragraph (a), clause (3), (5), or (6); or Minnesota Statutes 2004, section 609.109, subdivision 3, must not be given supervised release under this section without having served a minimum term of 30 years.

(c) Except as provided in paragraph (f), an inmate serving a mandatory life sentence under section 609.385 must not be given supervised release under this section without having served a minimum term of imprisonment of 17 years.

(d) An inmate serving a mandatory life sentence under section 609.3455, subdivision 3 or 4, must not be given supervised release under this section without having served the minimum term of imprisonment specified by the court in its sentence.

(e) An inmate serving a mandatory life sentence under section 609.106, subdivision 3, or 609.3455, subdivision 2, paragraph (c), must not be given supervised release under this section without having served a minimum term of imprisonment of 15 years.

(f) An inmate serving a mandatory life sentence for a crime described in paragraph (b) or (c) who was under 18 years of age at the time of the commission of the offense must not be given supervised release under this section without having served a minimum term of imprisonment of 15 years.

Sec. 3. Minnesota Statutes 2020, section 244.05, is amended by adding a subdivision to read:

Subd. 4a. **Eligibility for early supervised release; offenders who were under 18 at the time of offense.** (a) Notwithstanding any other provision of law, any person who was under the age of 18 at the time of the commission of an offense is eligible for early supervised release if the person is serving an executed sentence that includes a term of imprisonment of more than 15 years or separate, consecutive executed sentences for two or more crimes that include combined terms of imprisonment that total more than 15 years.

(b) A person eligible for early supervised release under paragraph (a) must be considered for early supervised release pursuant to section 244.0515 after serving 15 years of imprisonment.

(c) Where the person is serving separate, consecutive executed sentences for two or more crimes, the person may be granted early supervised release on all sentences.

Sec. 4. Minnesota Statutes 2020, section 244.05, subdivision 5, is amended to read:

Subd. 5. **Supervised release, life sentence.** (a) Except as provided in section 244.0515, the commissioner of corrections may, under rules promulgated by the commissioner, give supervised release to an inmate serving a mandatory life sentence under section 609.185, paragraph (a), clause (3), (5), or (6); 609.3455, subdivision 3 or 4; 609.385; or Minnesota Statutes 2004, section 609.109, subdivision 3, after the inmate has served the minimum term of imprisonment specified in subdivision 4.

(b) The commissioner shall require the preparation of a community investigation report and shall consider the findings of the report when making a supervised release decision under this subdivision. The report shall reflect the sentiment of the various elements of the community toward the inmate, both at the time of the offense and at the present time. The report shall include the views of the sentencing judge, the prosecutor, any law enforcement personnel who may have been involved in the case, and any successors to these individuals who may have information relevant to the supervised release decision. The report shall also include the views of the victim and the victim's family unless the victim or the victim's family chooses not to participate.

(c) The commissioner shall make reasonable efforts to notify the victim, in advance, of the time and place of the inmate's supervised release review hearing. The victim has a right to submit an oral or written statement at the review hearing. The statement may summarize the harm suffered by the victim as a result of the crime and give the victim's recommendation on whether the inmate should be given supervised release at this time. The commissioner must consider the victim's statement when making the supervised release decision.

(d) When considering whether to give supervised release to an inmate serving a life sentence under section 609.3455, subdivision 3 or 4, the commissioner shall consider, at a minimum, the following: the risk the inmate poses to the community if released, the inmate's progress in treatment, the inmate's behavior while incarcerated, psychological or other diagnostic evaluations of the inmate, the inmate's criminal history, and any other relevant conduct of the inmate while incarcerated or before incarceration. The commissioner may not give supervised release to the inmate unless:

(1) while in prison:

(i) the inmate has successfully completed appropriate sex offender treatment;

(ii) the inmate has been assessed for chemical dependency needs and, if appropriate, has successfully completed chemical dependency treatment; and

(iii) the inmate has been assessed for mental health needs and, if appropriate, has successfully completed mental health treatment; and

(2) a comprehensive individual release plan is in place for the inmate that ensures that, after release, the inmate will have suitable housing and receive appropriate aftercare and community-based treatment. The comprehensive plan also must include a postprison employment or education plan for the inmate.

(e) As used in this subdivision, "victim" means the individual who suffered harm as a result of the inmate's crime or, if the individual is deceased, the deceased's surviving spouse or next of kin.

EFFECTIVE DATE. This section is effective July 1, 2021.

Sec. 5. **[244.0515] JUVENILE REVIEW BOARD.**

Subdivision 1. **Board.** The Juvenile Review Board is created with the power and duties established by subdivision 4.

Subd. 2. **Members.** (a) The board consists of seven members as follows:

(1) the commissioner of corrections or the commissioner's designee;

(2) the commissioner of human services or the commissioner's designee;

(3) the commissioner of public safety or the commissioner's designee;

(4) the attorney general or the attorney general's designee; and

(5) three at-large members with expertise in the neurodevelopment of youth, appointed by the governor.

(b) The board shall select one of its members to serve as chair.

Subd. 3. **Terms, compensation, and removal.** The membership terms, compensation, and removal of members and the filling of membership vacancies is as provided in section 15.0575.

Subd. 4. **Powers and duties.** (a) Consistent with the requirements of this section, the board has authority to grant supervised release to an inmate who was under 18 years of age at the time of the commission of the offense and is serving a mandatory life sentence; an executed sentence that includes a term of imprisonment of more than 15 years; or separate, consecutive executed sentences for two or more crimes that include combined terms of imprisonment that total more than 15 years.

(b) The board may give supervised release to an inmate described in paragraph (a) after the inmate has served the minimum term of imprisonment specified by the court or 15 years, whichever is earlier.

(c) Where an inmate is serving multiple sentences that are concurrent to one another, the board must grant or deny supervised release on all sentences. Notwithstanding any law to the contrary, where an inmate is serving multiple sentences that are consecutive to one another, the court may grant or deny supervised release on one or more sentences.

(d) The board shall conduct an initial supervised release review hearing as soon as practicable after the inmate has served the applicable minimum term of imprisonment. Hearings for inmates eligible for a review hearing on or before July 1, 2021, shall take place before July 1, 2022.

(e) If the inmate is not released at the initial supervised release review hearing, the board shall conduct subsequent review hearings until the inmate's release. Review hearings shall not be scheduled to take place within six months of a previous hearing or more than three years after a previous hearing.

(f) The board may order that an inmate be placed on intensive supervised release for all or part of the inmate's supervised release pursuant to section 244.05, subdivision 6.

Subd. 5. **Administrative services.** The commissioner of corrections shall provide adequate office space and administrative services for the board and the board shall reimburse the commissioner for the space and services provided. The board may also utilize, with their consent, the services, equipment, personnel, information, and resources of other state agencies; and may accept voluntary and uncompensated services, contract with individuals and public and private agencies, and request information, reports, and data from any agency of the state or any of the state's political subdivisions to the extent authorized by law.

Subd. 6. **Development report.** (a) Except as provided in paragraph (b), the board shall require the preparation of a development report and shall consider the findings of the report when making a supervised release decision under this section. The report shall be prepared by a mental health professional as defined in section 245.462, subdivision 18, clauses (1) to (4) or (6), and shall address the cognitive, emotional, and social maturity of the inmate.

(b) If a development report was prepared within the 12 months immediately proceeding the hearing, the board may rely on that report.

Subd. 7. **Victim statement.** The board shall make reasonable efforts to notify the victim, in advance, of the time and place of the inmate's supervised release review hearing. The victim has a right to submit an oral or written statement at the review hearing. The statement may summarize the harm suffered by the victim as a result of the crime and give the victim's recommendation on whether the inmate should be given supervised release at this time. The board must consider the victim's statement when making the supervised release decision. As used in this subdivision, "victim" means the individual who suffered harm as a result of the inmate's crime or, if the individual is deceased, the deceased's surviving spouse or next of kin.

Subd. 8. **Review hearing; notice.** (a) At least 90 days before a supervised release review hearing, the commissioner of corrections shall notify the inmate of the time and place of the hearing and that the inmate has the right to be present at the hearing, request appointment of counsel, access the inmate's prison file prior to the hearing, and submit written arguments to the board prior to the hearing.

(b) The inmate may make oral arguments to the board at the hearing.

Subd. 9. **Considerations.** (a) When considering whether to give supervised release to an inmate serving a mandatory life sentence the board shall consider, at a minimum, the following:

(1) the development report;

(2) the victim statement, if any;

(3) the risk the inmate poses to the community if released;

(4) the inmate's progress in treatment;

(5) the inmate's behavior while incarcerated;

(6) any additional psychological or other diagnostic evaluations of the inmate;

(7) the inmate's criminal history;

(8) whether the inmate is serving consecutive sentences; and

(9) any other relevant conduct of the inmate while incarcerated or before incarceration.

(b) In making its decision, the board must consider relevant science regarding the neurological development of juveniles and shall prioritize information regarding the inmate's maturity and rehabilitation while incarcerated.

(c) Except as provided in paragraph (d), the board may not give supervised release to the inmate unless:

(1) while in prison:

(i) if applicable, the inmate has successfully completed appropriate sex offender treatment;

(ii) the inmate has been assessed for chemical dependency needs and, if appropriate, has successfully completed chemical dependency treatment; and

(iii) the inmate has been assessed for mental health needs and, if appropriate, has been provided mental health treatment; and

(2) a comprehensive individual release plan is in place for the inmate that ensures that, after release, the inmate will have suitable housing and receive appropriate aftercare and community-based treatment. The comprehensive plan also must include a postprison employment or education plan for the inmate.

(d) The board shall not deny supervised release to an inmate pursuant to paragraph (c) if the appropriate assessments, treatment, or planning were not made available to the inmate.

Subd. 10. **Findings of the board.** Within 30 days after a supervised release hearing, the board shall issue its decision on granting release, including a statement of reasons for that decision. If the board does not grant supervised release, the statement of the reasons for that denial must identify specific steps the inmate can take to increase the likelihood that release will be granted at a future hearing.

Subd. 11. **Review by court of appeals.** When the board has issued its findings, an inmate who acts within 30 days from the date the inmate received the findings may have the order reviewed by the court of appeals upon either of the following grounds:

(1) the order does not conform with this section; or

(2) the findings of fact and order were unsupported by substantial evidence in view of the entire record as submitted.

EFFECTIVE DATE. This section is effective July 1, 2021.

Sec. 6. Minnesota Statutes 2020, section 244.09, is amended by adding a subdivision to read:

Subd. 15. **Report on sentencing adjustments.** The Sentencing Guidelines Commission shall include in its annual report to the legislature a summary and analysis of sentence adjustments issued under section 609.133. At a minimum, the summary and analysis must include information on the counties where a sentencing adjustment was granted and on the race, sex, and age of individuals who received a sentence adjustment.

Sec. 7. Minnesota Statutes 2020, section 244.101, subdivision 1, is amended to read:

Subdivision 1. **Executed sentences.** Except as provided in section 244.05, subdivision 4a, when a felony offender is sentenced to a fixed executed sentence for an offense committed on or after August 1, 1993, the executed sentence consists of two parts: (1) a specified minimum term of imprisonment that is equal to two-thirds of the executed sentence; and (2) a specified maximum supervised release term that is equal to one-third of the executed sentence. The amount of time the inmate actually serves in prison and on supervised release is subject to the provisions of section 244.05, subdivision 1b.

Sec. 8. Minnesota Statutes 2020, section 480A.06, subdivision 4, is amended to read:

Subd. 4. **Administrative review.** The court of appeals shall have jurisdiction to review on the record the validity of administrative rules, as provided in sections 14.44 and 14.45, ~~and~~ the decisions of administrative agencies in contested cases, as provided in sections 14.63 to 14.69, and the decisions of the Juvenile Review Board as provided in section 244.0515.

EFFECTIVE DATE. This section is effective July 1, 2021.

Sec. 9. Minnesota Statutes 2020, section 609.03, is amended to read:

609.03 PUNISHMENT WHEN NOT OTHERWISE FIXED.

If a person is convicted of a crime for which no punishment is otherwise provided the person may be sentenced as follows:

(1) If the crime is a felony, to imprisonment for not more than five years or to payment of a fine of not more than $10,000, or both; or

(2) If the crime is a gross misdemeanor, to imprisonment for not more than ~~one year~~ 364 days or to payment of a fine of not more than $3,000, or both; or

(3) If the crime is a misdemeanor, to imprisonment for not more than 90 days or to payment of a fine of not more than $1,000, or both; or

(4) If the crime is other than a misdemeanor and a fine is imposed but the amount is not specified, to payment of a fine of not more than $1,000, or to imprisonment for a specified term of not more than six months if the fine is not paid.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to offenders receiving a gross misdemeanor sentence before, on, or after that date.

Sec. 10. **[609.0342] MAXIMUM PUNISHMENT FOR GROSS MISDEMEANORS.**

Any law of this state that provides for a maximum sentence of imprisonment of one year or is defined as a gross misdemeanor shall be deemed to provide for a maximum fine of $3,000 and a maximum sentence of imprisonment of 364 days.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to offenders receiving a gross misdemeanor sentence before, on, or after that date.

Sec. 11. **[609.1056] MILITARY VETERANS; CRIMES COMMITTED BECAUSE OF CONDITIONS RESULTING FROM SERVICE; DISCHARGE AND DISMISSAL.**

Subdivision 1. **Definitions.** As used in this section, the following terms have the meanings given:

(1) "applicable condition" means sexual trauma, traumatic brain injury, posttraumatic stress disorder, substance abuse, or a mental health condition;

(2) "eligible offense" means any misdemeanor or gross misdemeanor, and any felony that is ranked at severity level 7 or lower or D7 or lower on the Sentencing Guidelines grid;

(3) "pretrial diversion" means the decision of a prosecutor to refer a defendant to a diversion program on condition that the criminal charges against the defendant shall be dismissed after a specified period of time, or the case shall not be charged, if the defendant successfully completes the program of treatment recommended by the United States Department of Veterans Affairs or a local, state, federal, or private nonprofit treatment program; and

(4) "veterans treatment court program" means a program that has the following essential characteristics:

(i) the integration of services in the processing of cases in the judicial system;

(ii) the use of a nonadversarial approach involving prosecutors and defense attorneys to promote public safety and to protect the due process rights of program participants;

(iii) early identification and prompt placement of eligible participants in the program;

(iv) access to a continuum of alcohol, controlled substance, mental health, and other related treatment and rehabilitative services;

(v) careful monitoring of treatment and services provided to program participants;

(vi) a coordinated strategy to govern program responses to participants' compliance;

(vii) ongoing judicial interaction with program participants;

(viii) monitoring and evaluation of program goals and effectiveness;

(ix) continuing interdisciplinary education to promote effective program planning, implementation, and operations;

(x) development of partnerships with public agencies and community organizations, including the United States Department of Veterans Affairs; and

(xi) inclusion of a participant's family members who agree to be involved in the treatment and services provided to the participant under the program.

Subd. 2. **Deferred prosecution.** (a) The court shall defer prosecution for an eligible offense committed by a defendant who was, or currently is, a member of the United States military as provided in this subdivision. The court shall do this at the request of the defendant upon a finding of guilty after trial or upon a guilty plea.

(b) A defendant who requests to be sentenced under this subdivision shall release or authorize access to military service reports and records relating to the alleged applicable condition. The court must file the records as confidential and designate that they remain sealed, except as provided in this paragraph. In addition, the court may request, through existing resources, an assessment of the defendant. The defendant, through existing records or licensed professional evaluation, shall establish the diagnosis of the condition, that it was caused by military service, and that the offense was committed as a result of the condition. The court, on its own motion or the prosecutor's, with notice to defense counsel, may order the defendant to furnish to the court for in-camera review or to the prosecutor copies of all medical and military service reports and records previously or subsequently made concerning the defendant's condition and the condition's connection to service.

(c) Based on the record, the court shall determine whether, by clear and convincing evidence: (1) the defendant suffered from an applicable condition at the time of the offense; (2) the applicable condition was caused by service in the United States military; and (3) the offense was committed as a result of the applicable condition. Within 15 days of the court's determination, either party may file a challenge to the determination and demand a hearing on the defendant's eligibility under this subdivision.

(d) If the court makes the determination described in paragraph (c), the court shall, without entering a judgment of guilty, defer further proceedings and place the defendant on probation upon such reasonable conditions as it may require and for a period not to exceed the maximum period provided by law. A court may extend a defendant's term of probation pursuant to section 609.135, subdivision 2, paragraphs (g) and (h). Conditions ordered by the court must include treatment, services, rehabilitation, and education sufficient so that if completed, the defendant would be eligible for discharge and dismissal under subdivision 3. In addition, the court shall order that the defendant undergo a chemical use assessment that includes a recommended level of care for the defendant in accordance with the criteria contained in rules adopted by the commissioner of human services under section 254A.03, subdivision 3.

(e) If the court determines that the defendant is eligible for a deferred sentence but the defendant has previously received one for a felony offense under this subdivision, the court may, but is not required to, impose a deferred sentence. If the court does not impose a deferred sentence, the court may sentence the defendant as otherwise provided in law, including as provided in subdivision 4.

(f) Upon violation of a condition of probation, the court may enter an adjudication of guilt and proceed as otherwise provided in law, including as provided in subdivision 4.

(g) As a condition of probation, the court may order the defendant to attend a local, state, federal, or private nonprofit treatment program for a period not to exceed the maximum period for which the defendant could have been incarcerated.

(h) The court, when issuing an order under this subdivision that a defendant attend an established treatment program, shall give preference to a treatment program that has a history of successfully treating veterans who suffer from applicable conditions caused by military service, including but not limited to programs operated by the United States Department of Defense or Veterans Affairs.

(i) The court and any assigned treatment program shall collaborate with, when available, the county veterans service officer and the United States Department of Veterans Affairs to maximize benefits and services provided to the defendant.

(j) If available in the county or judicial district having jurisdiction over the case, the defendant may be supervised by a veterans treatment court program under subdivision 5. If there is a veterans treatment court that meets the requirements of subdivision 5 in the county in which the defendant resides or works, supervision of the defendant may be transferred to that county or judicial district veterans treatment court program. Upon the defendant's successful or unsuccessful completion of the program, the veterans treatment court program shall communicate this information to the court of original jurisdiction for further action.

(k) Sentencing pursuant to this subdivision waives any right to administrative review pursuant to section 169A.53, subdivision 1, or judicial review pursuant to section 169A.53, subdivision 2, for a license revocation or cancellation imposed pursuant to section 169A.52, and also waives any right to administrative review pursuant to section 171.177, subdivision 10, or judicial review pursuant to section 171.177, subdivision 11, for a license revocation or cancellation imposed pursuant to section 171.177, if that license revocation or cancellation is the result of the same incident that is being sentenced.

Subd. 3. **Discharge and dismissal.** (a) Upon the expiration of the period of the defendant's probation the court shall hold a hearing to discharge the defendant from probation and determine whether to dismiss the proceedings against a defendant who received a deferred sentence under subdivision 2. The hearing shall be scheduled so that the parties have adequate time to prepare and present arguments regarding the issue of dismissal. The parties may submit written arguments to the court prior to the date of the hearing and may make oral arguments before the court at the hearing. The defendant must be present at the hearing unless excused under Minnesota Rules of Criminal Procedure, rule 26.03, subdivision 1, clause (3).

(b) The court shall provide notice to any identifiable victim of the offense at least 15 days before the hearing is held. Notice to victims of the offense under this subdivision must specifically inform the victim of the right to submit an oral or written statement to the court at the time of the hearing describing the harm suffered by the victim as a result of the crime and the victim's recommendation on whether dismissal should be granted or denied. The judge shall consider the victim's statement when making a decision. If a victim notifies the prosecutor of an objection to dismissal and is not present at the hearing, the prosecutor shall make the objections known to the court.

(c) The court shall dismiss proceedings against a defendant if the court finds by clear and convincing evidence that the defendant:

(1) is in substantial compliance with the conditions of probation;

(2) has successfully participated in court-ordered treatment and services to address the applicable condition caused by military service;

(3) does not represent a danger to the health or safety of victims or others; and

(4) has demonstrated significant benefit from court-ordered education, treatment, or rehabilitation to clearly show that a discharge and dismissal under this subdivision is in the interests of justice.

(d) In determining the interests of justice, the court shall consider, among other factors, all of the following:

(1) the defendant's completion and degree of participation in education, treatment, and rehabilitation as ordered by the court;

(2) the defendant's progress in formal education;

(3) the defendant's development of career potential;

(4) the defendant's leadership and personal responsibility efforts;

(5) the defendant's contribution of service in support of the community;

(6) the level of harm to the community from the offense; and

(7) the statement of the victim, if any.

(e) If the court finds that the defendant does not qualify for discharge and dismissal under paragraph (c), the court shall enter an adjudication of guilt and proceed as otherwise provided in law, including as provided in subdivision 4.

(f) Discharge and dismissal under this subdivision shall be without court adjudication of guilt, but a not public record of the discharge and dismissal shall be retained by the Bureau of Criminal Apprehension for the purpose of use by the courts in determining the merits of subsequent proceedings against the defendant. The not public record may also be opened only upon court order for purposes of a criminal investigation, prosecution, or sentencing. Upon request by law enforcement, prosecution, or corrections authorities, the bureau shall notify the requesting party of the existence of the not public record and the right to seek a court order to open the not public record under this paragraph. The court shall forward a record of any discharge and dismissal under this subdivision to the bureau, which shall make and maintain the not public record of the discharge and dismissal. The discharge and dismissal shall not be deemed a conviction for purposes of disqualifications or disabilities imposed by law upon conviction of a crime or for any other purpose. For purposes of this paragraph, "not public" has the meaning given in section 13.02, subdivision 8a.

Subd. 4. **Sentencing departure; waiver of mandatory sentence.** (a) This subdivision applies to defendants who plead or are found guilty of any criminal offense except one for which registration is required under section 243.166, subdivision 1b.

(b) Prior to sentencing, a defendant described in paragraph (a) may present proof to the court that the defendant has, since the commission of the offense, engaged in rehabilitative efforts consistent with those described in this section. If the court determines that the defendant has engaged in substantial rehabilitative efforts and the defendant establishes by clear and convincing evidence that:

(1) the defendant suffered from an applicable condition at the time of the offense;

(2) the applicable condition was caused by service in the United States military; and

(3) the offense was committed as a result of the applicable condition;

the court may determine that the defendant is particularly amenable to probation and order a mitigated durational or dispositional sentencing departure or a waiver of any statutory mandatory minimum sentence applicable to the defendant.

Subd. 5. **Optional veterans treatment court program; procedures for eligible defendants.** A county or judicial district may supervise probation under this section through a veterans treatment court, using county veterans service officers appointed under sections 197.60 to 197.606, United States Department of Veterans Affairs veterans justice outreach specialists, probation agents, and any other rehabilitative resources available to the court.

Subd. 6. **Creation of county and city diversion programs; authorization.** Any county or city may establish and operate a veterans pretrial diversion program for offenders eligible under subdivision 2 without penalty under section 477A.0175.

Subd. 7. **Exception.** This section does not apply to a person charged with an offense for which registration is required under section 243.166, subdivision 1b.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to crimes committed on or after that date.

Sec. 12. Minnesota Statutes 2020, section 609.106, subdivision 2, is amended to read:

Subd. 2. **Life without release.** Except as provided in subdivision 3, the court shall sentence a person to life imprisonment without possibility of release under the following circumstances:

(1) the person is convicted of first-degree murder under section 609.185, paragraph (a), clause (1), (2), (4), or (7);

(2) the person is convicted of committing first-degree murder in the course of a kidnapping under section 609.185, paragraph (a), clause (3); or

(3) the person is convicted of first-degree murder under section 609.185, paragraph (a), clause (3), (5), or (6), and the court determines on the record at the time of sentencing that the person has one or more previous convictions for a heinous crime.

Sec. 13. Minnesota Statutes 2020, section 609.106, is amended by adding a subdivision to read:

Subd. 3. **Offender under age 18; life imprisonment.** The court shall sentence a person who was under 18 years of age at the time of the commission of an offense under the circumstances described in subdivision 2 to imprisonment for life.

Sec. 14. Minnesota Statutes 2020, section 609.1095, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the meanings given.

(b) "Conviction" means any of the following accepted and recorded by the court: a plea of guilty, a verdict of guilty by a jury, or a finding of guilty by the court. The term includes a conviction by any court in Minnesota or another jurisdiction.

(c) "Prior conviction" means a conviction that occurred before the offender committed the next felony resulting in a conviction and before the offense for which the offender is being sentenced under this section.

(d) "Violent crime" means a violation of or an attempt or conspiracy to violate any of the following laws of this state or any similar laws of the United States or any other state: sections 152.137; 609.165; 609.185; 609.19; 609.195; 609.20; 609.205; 609.2112; 609.2113; 609.2114; 609.221; 609.222; 609.223; 609.228; 609.235; 609.24; 609.245; 609.25; 609.255; 609.2661; 609.2662; 609.2663; 609.2664; 609.2665; 609.267; 609.2671; 609.268; 609.322; 609.342; 609.343; 609.344; 609.345; 609.498, subdivision 1; 609.561; 609.562; 609.582, subdivision 1; 609.66, subdivision 1e; 609.687; and 609.855, subdivision 5; any provision of sections 609.229; 609.377; 609.378; 609.749; and 624.713 that is punishable by a felony penalty; or any provision of chapter 152 that is punishable by a maximum sentence of 15 years or more; or Minnesota Statutes 2012, section 609.21.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to crimes committed on or after that date.

Sec. 15. Minnesota Statutes 2020, section 609.115, is amended by adding a subdivision to read:

Subd. 11. **Disability impact statement.** (a) When a defendant appears in court and is convicted of a crime, the court shall inquire whether the defendant is an individual with a disability. For the purposes of this subdivision, "disability" has the meaning given in the Americans with Disabilities Act of 1990, as amended by the Americans with Disabilities Act Amendment Act of 2008, United States Code, Title 42, section 12102.

(b) If the defendant is an individual with a disability and may be sentenced to a term of imprisonment, the court:

(1) may order that the presentence investigator preparing the report under subdivision 1 prepare an impact statement that addresses the impact on a person's disability including but not limited to health, housing, family, employment effect of benefits, and potential for abuse if the defendant is sentenced to a term of imprisonment, for the purpose of providing the court with information regarding sentencing options other than a term of imprisonment;

(2) must consider the impact statement in imposing a sentence; and

(3) must consider the least restrictive environment to meet the state's penal objective.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to individuals convicted of a crime on or after that date.

Sec. 16. Minnesota Statutes 2020, section 609.115, is amended by adding a subdivision to read:

Subd. 12. **Traumatic brain injury.** (a) When a defendant appears in court and is convicted of a felony, the court shall inquire whether the defendant has a history of stroke, traumatic brain injury, or fetal alcohol spectrum disorder.

(b) If the defendant has a history of stroke, traumatic brain injury, or fetal alcohol spectrum disorder and the court believes that the offender may have a mental impairment that caused the offender to lack substantial capacity for judgment when the offense was committed, the court shall order that the offender undergo a neuropsychological

examination unless the offender has had a recent examination as described in paragraph (c). The report prepared under subdivision 1 shall contain the results of the examination ordered by the court or the recent examination and the officer preparing the report may consult with any medical provider, mental health professional, or other agency or person with suitable knowledge or experience for the purpose of providing the court with information regarding treatment and case management options available to the defendant.

(c) An updated neuropsychological examination is not required under this subdivision if:

(1) the person had a previous examination when the person was at least 25 years of age;

(2) the examination took place at least 18 months after the person's most recent stroke or traumatic brain injury; and

(3) the examination took place within the previous three years.

(d) At sentencing, the court may consider any relevant information including but not limited to the information provided pursuant to paragraph (b) and the recommendations of any diagnosing or treating medical providers or mental health professionals to determine whether the offender, because of mental impairment resulting from a stroke, traumatic brain injury, or fetal alcohol spectrum disorder, lacked substantial capacity for judgment when the offense was committed.

Sec. 17. Minnesota Statutes 2020, section 609.131, subdivision 2, is amended to read:

Subd. 2. **Certain violations excepted.** Subdivision 1 does not apply to a misdemeanor violation of section 169A.20; 171.09, subdivision 1, paragraph (g); 171.306, subdivision 6; 609.224; 609.2242; 609.226; ~~609.324, subdivision 3;~~ 609.52; or 617.23, or an ordinance that conforms in substantial part to any of those sections. A violation described in this subdivision must be treated as a misdemeanor unless the defendant consents to the certification of the violation as a petty misdemeanor.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to crimes committed on or after that date.

Sec. 18. **[609.133] SENTENCE ADJUSTMENT.**

Subdivision 1. **Definition.** As used in this section, "prosecutor" means the attorney general, county attorney, or city attorney responsible for the prosecution of individuals charged with a crime.

Subd. 2. **Prosecutor-initiated sentence adjustment.** The prosecutor responsible for the prosecution of an individual convicted of a crime may commence a proceeding to adjust the sentence of that individual at any time after the initial sentencing provided the prosecutor does not seek to increase the period of confinement or, if the individual is serving a stayed sentence, increase the period of supervision.

Subd. 3. **Review by prosecutor.** (a) Prosecutors may review individual cases at their discretion.

(b) Prior to filing a petition under this section, a prosecutor shall make a reasonable and good faith effort to seek input from any identifiable victim and shall consider the impact an adjusted sentence would have on the victim.

(c) The commissioner of corrections, a supervising agent, or an offender may request that a prosecutor review an individual case. A prosecutor is not required to respond to a request.

Subd. 4. **Petition; contents; fee.** (a) A petition for sentence adjustment shall include the following:

(1) the full name of the individual on whose behalf the petition is being brought and, to the extent possible, all other legal names or aliases by which the individual has been known at any time;

(2) the individual's date of birth;

(3) the individual's address;

(4) a brief statement of the reason the prosecutor is seeking a sentence adjustment for the individual;

(5) the details of the offense for which an adjustment is sought, including:

(i) the date and jurisdiction of the occurrence;

(ii) either the names of any victims or that there were no identifiable victims;

(iii) whether there is a current order for protection, restraining order, or other no contact order prohibiting the individual from contacting the victims or whether there has ever been a prior order for protection or restraining order prohibiting the individual from contacting the victims;

(iv) the court file number; and

(v) the date of conviction;

(6) what steps the individual has taken since the time of the offense toward personal rehabilitation, including treatment, work, good conduct within correctional facilities, or other personal history that demonstrates rehabilitation;

(7) the individual's criminal conviction record indicating all convictions for misdemeanors, gross misdemeanors, or felonies in this state, and for all comparable convictions in any other state, federal court, or foreign country, whether the convictions occurred before or after the conviction for which an adjustment is sought;

(8) the individual's criminal charges record indicating all prior and pending criminal charges against the individual in this state or another jurisdiction, including all criminal charges that have been continued for dismissal, stayed for adjudication, or were the subject of pretrial diversion; and

(9) to the extent known, all prior requests by the individual, whether for the present offense or for any other offenses in this state or any other state or federal court, for pardon, return of arrest records, or expungement or sealing of a criminal record, whether granted or not, and all stays of adjudication or imposition of sentence involving the petitioner.

(b) The filing fee for a petition brought under this section shall be waived.

Subd. 5. **Service of petition.** (a) The prosecutor shall serve the petition for sentence adjustment on the individual on whose behalf the petition is being brought.

(b) The prosecutor shall make a good faith and reasonable effort to notify any person determined to be a victim of the offense for which adjustment is sought of the existence of a petition. Notification under this paragraph does not constitute a violation of an existing order for protection, restraining order, or other no contact order.

(c) Notice to victims of the offense under this subdivision must:

(1) specifically inform the victim of the right to object, orally or in writing, to the proposed adjustment of sentence; and

(2) inform the victims of the right to be present and to submit an oral or written statement at the hearing described in subdivision 6.

(d) If a victim notifies the prosecutor of an objection to the proposed adjustment of sentence and is not present when the court considers the sentence adjustment, the prosecutor shall make these objections known to the court.

Subd. 6. **Hearing.** (a) The court shall hold a hearing on the petition no sooner than 60 days after service of the petition. The hearing shall be scheduled so that the parties have adequate time to prepare and present arguments regarding the issue of sentence adjustment. The parties may submit written arguments to the court prior to the date of the hearing and may make oral arguments before the court at the hearing. The individual on whose behalf the petition has been brought must be present at the hearing, unless excused under Minnesota Rules of Criminal Procedure, rule 26.03, subdivision 1, clause (3).

(b) A victim of the offense for which sentence adjustment is sought has a right to submit an oral or written statement to the court at the time of the hearing describing the harm suffered by the victim as a result of the crime and the victim's recommendation on whether adjustment should be granted or denied. The judge shall consider the victim's statement when making a decision.

(c) Representatives of the Department of Corrections, supervising agents, community treatment providers, and any other individual with relevant information may submit an oral or written statement to the court at the time of the hearing.

Subd. 7. **Nature of remedy; standard.** (a) The court shall determine whether there are substantial and compelling reasons to adjust the individual's sentence. In making this determination, the court shall consider what impact, if any, a sentence adjustment would have on public safety, including whether an adjustment would promote the rehabilitation of the individual, properly reflect the severity of the underlying offense, or reduce sentencing disparities. In making this determination, the court may consider factors relating to both the offender and the offense, including but not limited to:

(1) the individual's performance on probation or supervision;

(2) the individual's disciplinary record during any period of incarceration;

(3) records of any rehabilitation efforts made by the individual since the date of offense and any plan to continue those efforts in the community;

(4) evidence that remorse, age, diminished physical condition, or any other factor has significantly reduced the likelihood that the individual will commit a future offense;

(5) the amount of time the individual has served in custody or under supervision; and

(6) significant changes in law or sentencing practice since the date of offense.

(b) Notwithstanding any law to the contrary, if the court determines that there are substantial and compelling reasons to adjust the individual's sentence, the court may modify the sentence in any way provided the adjustment does not:

(1) increase the period of confinement or, if the individual is serving a stayed sentence, increase the period of supervision;

(2) reduce or eliminate the amount of court-ordered restitution; or

(3) reduce or eliminate a term of conditional release required by law when a court commits an offender to the custody of the commissioner of corrections.

The court may stay imposition or execution of sentence pursuant to section 609.135.

(c) A sentence adjustment is not a valid basis to vacate the judgment of conviction, enter a judgment of conviction for a different offense, or impose sentence for any other offense.

(d) The court shall state in writing or on the record the reasons for its decision on the petition. If the court grants a sentence adjustment, it shall cause a sentencing worksheet as provided in section 609.115, subdivision 1, to be completed and forwarded to the Sentencing Guidelines Commission. The sentencing worksheet shall clearly indicate that it is for a sentence adjustment.

Subd. 8. **Appeals.** An order issued under this section shall not be considered a final judgment, but shall be treated as an order imposing or staying a sentence.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 19. Minnesota Statutes 2020, section 609.2231, subdivision 4, is amended to read:

Subd. 4. **Assaults motivated by bias.** (a) Whoever assaults another in whole or in part because of the victim's or another's actual or perceived race, color, ethnicity, religion, sex, gender, sexual orientation, gender identity, gender expression, age, national origin, or disability as defined in section 363A.03, ~~age, or national origin~~ or because of the victim's actual or perceived association with another person or group of a certain actual or perceived race, color, ethnicity, religion, sex, gender, sexual orientation, gender identity, gender expression, age, national origin, or disability as defined in section 363A.03, may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than $3,000, or both.

(b) Whoever violates the provisions of paragraph (a) within five years of a previous conviction under paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than one year and a day or to payment of a fine of not more than $3,000, or both.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to crimes committed on or after that date.

Sec. 20. Minnesota Statutes 2020, section 609.2233, is amended to read:

609.2233 FELONY ASSAULT MOTIVATED BY BIAS; INCREASED STATUTORY MAXIMUM SENTENCE.

A person who violates section 609.221, 609.222, or 609.223 because of the victim's or another person's actual or perceived race, color, ethnicity, religion, sex, gender, sexual orientation, gender identity, gender expression, age, national origin, or disability as defined in section 363A.03, ~~age, or national origin~~ or because of the victim's actual or perceived association with another person or group of a certain actual or perceived race, color, ethnicity, religion, sex, gender, sexual orientation, gender identity, gender expression, age, national origin, or disability as defined in section 363A.03, is subject to a statutory maximum penalty of 25 percent longer than the maximum penalty otherwise applicable.

Sec. 21. Minnesota Statutes 2020, section 609.322, subdivision 1, is amended to read:

Subdivision 1. **Solicitation, inducement, and promotion of prostitution; sex trafficking in the first degree.** (a) Whoever, while acting other than as a prostitute or patron, intentionally does any of the following may be sentenced to imprisonment for not more than ~~20~~ 25 years or to payment of a fine of not more than $50,000, or both:

(1) solicits or induces an individual under the age of 18 years to practice prostitution;

(2) promotes the prostitution of an individual under the age of 18 years;

(3) receives profit, knowing or having reason to know that it is derived from the prostitution, or the promotion of the prostitution, of an individual under the age of 18 years; or

(4) engages in the sex trafficking of an individual under the age of 18 years.

(b) Whoever violates paragraph (a) or subdivision 1a may be sentenced to imprisonment for not more than ~~25~~ 30 years or to payment of a fine of not more than $60,000, or both, if one or more of the following aggravating factors are present:

(1) the offender has committed a prior qualified human trafficking-related offense;

(2) the offense involved a sex trafficking victim who suffered bodily harm during the commission of the offense;

(3) the time period that a sex trafficking victim was held in debt bondage or forced labor or services exceeded 180 days; or

(4) the offense involved more than one sex trafficking victim.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to crimes committed on or after that date.

Sec. 22. Minnesota Statutes 2020, section 609.322, subdivision 1a, is amended to read:

Subd. 1a. **Solicitation, inducement, and promotion of prostitution; sex trafficking in the second degree.** Whoever, while acting other than as a prostitute or patron, intentionally does any of the following may be sentenced to imprisonment for not more than ~~15~~ 20 years or to payment of a fine of not more than $40,000, or both:

(1) solicits or induces an individual to practice prostitution;

(2) promotes the prostitution of an individual;

(3) receives profit, knowing or having reason to know that it is derived from the prostitution, or the promotion of the prostitution, of an individual; or

(4) engages in the sex trafficking of an individual.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to crimes committed on or after that date.

Sec. 23. Minnesota Statutes 2020, section 609.324, subdivision 1, is amended to read:

Subdivision 1. **Engaging in, hiring, or agreeing to hire minor to engage in prostitution; penalties.** (a) Whoever intentionally does any of the following may be sentenced to imprisonment for not more than 20 years or to payment of a fine of not more than $40,000, or both:

(1) engages in prostitution with an individual under the age of ~~13~~ 14 years;

(2) hires or offers or agrees to hire an individual under the age of ~~13~~ 14 years to engage in sexual penetration or sexual contact; or

(3) hires or offers or agrees to hire an individual who the actor reasonably believes to be under the age of ~~13~~ 14 years to engage in sexual penetration or sexual contact.

(b) Whoever intentionally does any of the following may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than $20,000, or both:

(1) engages in prostitution with an individual under the age of 16 years but at least ~~13~~ 14 years;

(2) hires or offers or agrees to hire an individual under the age of 16 years but at least ~~13~~ 14 years to engage in sexual penetration or sexual contact; or

(3) hires or offers or agrees to hire an individual who the actor reasonably believes to be under the age of 16 years but at least 13 years to engage in sexual penetration or sexual contact.

(c) Whoever intentionally does any of the following may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than $10,000, or both:

(1) engages in prostitution with an individual under the age of 18 years but at least 16 years;

(2) hires or offers or agrees to hire an individual under the age of 18 years but at least 16 years to engage in sexual penetration or sexual contact; or

(3) hires or offers or agrees to hire an individual who the actor reasonably believes to be under the age of 18 years but at least 16 years to engage in sexual penetration or sexual contact.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to crimes committed on or after that date.

Sec. 24. Minnesota Statutes 2020, section 609.324, subdivision 2, is amended to read:

Subd. 2. **Patrons of prostitution ~~in public place~~; penalty ~~for patrons.~~** (a) Whoever, while acting as a patron, intentionally does any of the following ~~while in a public place~~ is guilty of a gross misdemeanor:

(1) engages in prostitution with an individual 18 years of age or older; or

(2) hires, offers to hire, or agrees to hire an individual 18 years of age or older to engage in sexual penetration or sexual contact.

Except as otherwise provided in subdivision 4, a person who is convicted of violating this subdivision must, at a minimum, be sentenced to pay a fine of at least $1,500.

(b) Whoever violates the provisions of this subdivision within ten years of a previous conviction for violating this section or section 609.322 is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than $10,000, or both.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to crimes committed on or after that date.

Sec. 25. Minnesota Statutes 2020, section 609.324, subdivision 4, is amended to read:

Subd. 4. **Community service in lieu of minimum fine.** The court may order a person convicted of violating subdivision 2 ~~or 3~~ to perform community work service in lieu of all or a portion of the minimum fine required under those subdivisions if the court makes specific, written findings that the convicted person is indigent or that payment of the fine would create undue hardship for the convicted person or that person's immediate family. Community work service ordered under this subdivision is in addition to any mandatory community work service ordered under subdivision 3.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to crimes committed on or after that date.

Sec. 26. Minnesota Statutes 2020, section 609.3241, is amended to read:

609.3241 PENALTY ASSESSMENT AUTHORIZED.

(a) When a court sentences an adult convicted of violating section 609.27, 609.282, 609.283, 609.322, 609.324, 609.33, 609.352, 617.246, 617.247, or 617.293, while acting other than as a prostitute, the court shall impose an assessment of not less than $500 and not more than $750 for a misdemeanor violation of section 609.27, a violation of section 609.324, subdivision 2, ~~a misdemeanor violation of section 609.324, subdivision 3,~~ a violation of section 609.33, or a violation of section 617.293; otherwise the court shall impose an assessment of not less than $750 and not more than $1,000. The assessment shall be distributed as provided in paragraph (c) and is in addition to the surcharge required by section 357.021, subdivision 6.

(b) The court may not waive payment of the minimum assessment required by this section. If the defendant qualifies for the services of a public defender or the court finds on the record that the convicted person is indigent or that immediate payment of the assessment would create undue hardship for the convicted person or that person's immediate family, the court may reduce the amount of the minimum assessment to not less than $100. The court also may authorize payment of the assessment in installments.

(c) The assessment collected under paragraph (a) must be distributed as follows:

(1) 40 percent of the assessment shall be forwarded to the political subdivision that employs the arresting officer for use in enforcement, training, and education activities related to combating sexual exploitation of youth, or if the arresting officer is an employee of the state, this portion shall be forwarded to the commissioner of public safety for those purposes identified in clause (3);

(2) 20 percent of the assessment shall be forwarded to the prosecuting agency that handled the case for use in training and education activities relating to combating sexual exploitation activities of youth; and

(3) 40 percent of the assessment must be forwarded to the commissioner of health to be deposited in the safe harbor for youth account in the special revenue fund and are appropriated to the commissioner for distribution to crime victims services organizations that provide services to sexually exploited youth, as defined in section 260C.007, subdivision 31.

(d) A safe harbor for youth account is established as a special account in the state treasury.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to crimes committed on or after that date.

Sec. 27. Minnesota Statutes 2020, section 609.3455, subdivision 2, is amended to read:

Subd. 2. **Mandatory life sentence without release; egregious first-time and repeat offenders.** (a) Except as provided in paragraph (c), notwithstanding the statutory maximum penalty otherwise applicable to the offense, the court shall sentence a person convicted under section 609.342, subdivision 1, paragraph (c), (d), (e), (f), or (h); or 609.343, subdivision 1, paragraph (c), (d), (e), (f), or (h), to life without the possibility of release if:

(1) the fact finder determines that two or more heinous elements exist; or

(2) the person has a previous sex offense conviction for a violation of section 609.342, 609.343, or 609.344, and the fact finder determines that a heinous element exists for the present offense.

(b) A fact finder may not consider a heinous element if it is an element of the underlying specified violation of section 609.342 or 609.343. In addition, when determining whether two or more heinous elements exist, the fact finder may not use the same underlying facts to support a determination that more than one element exists.

(c) The court shall sentence a person who was under 18 years of age at the time of the commission of an offense described in paragraph (a) to imprisonment for life.

Sec. 28. Minnesota Statutes 2020, section 609.3455, subdivision 5, is amended to read:

Subd. 5. **Life sentences; minimum term of imprisonment.** At the time of sentencing under subdivision 3 or 4, the court shall specify a minimum term of imprisonment, based on the sentencing guidelines or any applicable mandatory minimum sentence, that must be served before the offender may be considered for supervised release. If the offender was under 18 years of age at the time of the commission of the offense, the minimum term of imprisonment specified by the court shall not exceed 15 years.

Sec. 29. Minnesota Statutes 2020, section 609.352, subdivision 4, is amended to read:

Subd. 4. **Penalty.** A person convicted under subdivision 2 or 2a is guilty of a felony and may be sentenced to imprisonment for not more than ~~three~~ five years, or to payment of a fine of not more than ~~$5,000~~ $10,000, or both.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to crimes committed on or after that date.

Sec. 30. Minnesota Statutes 2020, section 609.527, subdivision 3, is amended to read:

Subd. 3. **Penalties.** A person who violates subdivision 2 may be sentenced as follows:

(1) if the offense involves a single direct victim and the total, combined loss to the direct victim and any indirect victims is $250 or less, the person may be sentenced as provided in section 609.52, subdivision 3, clause (5);

(2) if the offense involves a single direct victim and the total, combined loss to the direct victim and any indirect victims is more than $250 but not more than $500, the person may be sentenced as provided in section 609.52, subdivision 3, clause (4);

(3) if the offense involves two or three direct victims or the total, combined loss to the direct and indirect victims is more than $500 but not more than $2,500, the person may be sentenced as provided in section 609.52, subdivision 3, clause (3);

(4) if the offense involves more than three but not more than seven direct victims, or if the total combined loss to the direct and indirect victims is more than $2,500, the person may be sentenced as provided in section 609.52, subdivision 3, clause (2); ~~and~~

(5) if the offense involves eight or more direct victims~~;~~, or if the total, combined loss to the direct and indirect victims is more than $35,000~~; or~~, the person may be sentenced as provided in section 609.52, subdivision 3, clause (1); and

(6) if the offense is related to possession or distribution of pornographic work in violation of section 617.246 or 617.247~~;~~, the person may be sentenced as provided in section 609.52, subdivision 3, clause (1).

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to crimes committed on or after that date.

Sec. 31. Minnesota Statutes 2020, section 609.595, subdivision 1a, is amended to read:

Subd. 1a. **Criminal damage to property in the second degree.** (a) Whoever intentionally causes damage described in subdivision 2, paragraph (a), ~~because of the property owner's or another's actual or perceived race, color, religion, sex, sexual orientation, disability as defined in section 363A.03, age, or national origin~~ is guilty of a felony and may be sentenced to imprisonment for not more than one year and a day or to payment of a fine of not more than $3,000, or both~~.~~, if the damage:

(1) was committed in whole or in part because of the property owner's or another's actual or perceived race, color, ethnicity, religion, sex, gender, sexual orientation, gender identity, gender expression, age, national origin, or disability as defined in section 363A.03;

(2) was committed in whole or in part because of the victim's actual or perceived association with another person or group of a certain actual or perceived race, color, ethnicity, religion, sex, gender, sexual orientation, gender identity, gender expression, age, national origin, or disability as defined in section 363A.03;

(3) was motivated in whole or in part by an intent to intimidate or harm an individual or group of individuals because of actual or perceived race, color, ethnicity, religion, sex, gender, sexual orientation, gender identity, gender expression, age, national origin, or disability as defined in section 363A.03; or

(4) was motivated in whole or in part by an intent to intimidate or harm an individual or group of individuals because of the victim's actual or perceived association with another person or group of a certain actual or perceived race, color, ethnicity, religion, sex, gender, sexual orientation, gender identity, gender expression, age, national origin, or disability as defined in section 363A.03.

(b) In any prosecution under paragraph (a), the value of property damaged by the defendant in violation of that paragraph within any six-month period may be aggregated and the defendant charged accordingly in applying this section. When two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this paragraph.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to crimes committed on or after that date.

Sec. 32. Minnesota Statutes 2020, section 609.595, subdivision 2, is amended to read:

Subd. 2. **Criminal damage to property in the third degree.** (a) Except as otherwise provided in subdivision 1a, whoever intentionally causes damage to another person's physical property without the other person's consent may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than $3,000, or both, if: (1) the damage reduces the value of the property by more than $500 but not more than $1,000 as measured by the cost of repair and replacement; or (2) the damage was to a public safety motor vehicle and the defendant knew the vehicle was a public safety motor vehicle.

(b) Whoever intentionally causes damage to another person's physical property without the other person's consent ~~because of the property owner's or another's actual or perceived race, color, religion, sex, sexual orientation, disability as defined in section 363A.03, age, or national origin~~ may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than $3,000, or both, if the damage reduces the value of the property by not more than $500~~.~~ and:

(1) was committed in whole or in part because of the property owner's or another's actual or perceived race, color, ethnicity, religion, sex, gender, sexual orientation, gender identity, gender expression, age, national origin, or disability as defined in section 363A.03;

(2) was committed in whole or in part because of the victim's actual or perceived association with another person or group of a certain actual or perceived race, color, ethnicity, religion, sex, gender, sexual orientation, gender identity, gender expression, age, national origin, or disability as defined in section 363A.03;

(3) was motivated in whole or in part by an intent to intimidate or harm an individual or group of individuals because of actual or perceived race, color, ethnicity, religion, sex, gender, sexual orientation, gender identity, gender expression, age, national origin, or disability as defined in section 363A.03; or

(4) was motivated in whole or in part by an intent to intimidate or harm an individual or group of individuals because of the victim's actual or perceived association with another person or group of a certain actual or perceived race, color, ethnicity, religion, sex, gender, sexual orientation, gender identity, gender expression, age, national origin, or disability as defined in section 363A.03.

(c) In any prosecution under paragraph (a), clause (1), the value of property damaged by the defendant in violation of that paragraph within any six-month period may be aggregated and the defendant charged accordingly in applying this section. When two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this paragraph.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to crimes committed on or after that date.

Sec. 33. Minnesota Statutes 2020, section 609.605, subdivision 2, is amended to read:

Subd. 2. **Gross misdemeanor.** Whoever trespasses upon the grounds of a facility providing emergency shelter services for battered women, as defined under section 611A.31, subdivision 3, or providing comparable services for sex trafficking victims, as defined under section 609.321, subdivision 7b, or of a facility providing transitional housing for battered women and their children or sex trafficking victims and their children, without claim of right or consent of one who has right to give consent, and refuses to depart from the grounds of the facility on demand of one who has right to give consent, is guilty of a gross misdemeanor.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to crimes committed on or after that date.

Sec. 34. Minnesota Statutes 2020, section 609.66, subdivision 1e, is amended to read:

Subd. 1e. **Felony; drive-by shooting.** (a) ~~Whoever,~~ A person is guilty of a felony who, while in or having just exited from a motor vehicle, recklessly discharges a firearm at or toward ~~another~~:

(1) an unoccupied motor vehicle or ~~a~~ building ~~is guilty of a felony and may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than $6,000, or both.~~;

(2) an occupied motor vehicle or building; or

(3) a person.

(b) ~~Any person who violates this subdivision by firing at or toward a person, or an occupied building or motor vehicle, may be sentenced~~ A person convicted under paragraph (a), clause (1), may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than $6,000, or both. A person convicted under paragraph (a), clause (2) or (3), may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than $20,000, or both.

(c) For purposes of this subdivision, "motor vehicle" has the meaning given in section 609.52, subdivision 1, and "building" has the meaning given in section 609.581, subdivision 2.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to crimes committed on or after that date.

Sec. 35. Minnesota Statutes 2020, section 609.749, subdivision 3, is amended to read:

Subd. 3. **Aggravated violations.** (a) A person who commits any of the following acts is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than $10,000, or both:

(1) commits any offense described in subdivision 2 because of the victim's or another's actual or perceived race, color, ethnicity, religion, sex, gender, sexual orientation, gender identity, gender expression, age, national origin, or disability as defined in section 363A.03, ~~age, or national origin~~ or because of the victim's actual or perceived association with another person or group of a certain actual or perceived race, color, ethnicity, religion, sex, gender, sexual orientation, gender identity, gender expression, age, national origin, or disability as defined in section 363A.03;

(2) commits any offense described in subdivision 2 by falsely impersonating another;

(3) commits any offense described in subdivision 2 and a dangerous weapon was used in any way in the commission of the offense;

(4) commits any offense described in subdivision 2 with intent to influence or otherwise tamper with a juror or a judicial proceeding or with intent to retaliate against a judicial officer, as defined in section 609.415, or a prosecutor, defense attorney, or officer of the court, because of that person's performance of official duties in connection with a judicial proceeding; or

(5) commits any offense described in subdivision 2 against a victim under the age of 18, if the actor is more than 36 months older than the victim.

(b) A person who commits any offense described in subdivision 2 against a victim under the age of 18, if the actor is more than 36 months older than the victim, and the act is committed with sexual or aggressive intent, is guilty of a felony and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than $20,000, or both.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to crimes committed on or after that date.

Sec. 36. Minnesota Statutes 2020, section 609A.01, is amended to read:

609A.01 EXPUNGEMENT OF CRIMINAL RECORDS.

This chapter provides the grounds and procedures for expungement of criminal records under section 13.82; 152.18, subdivision 1; 299C.11, where expungement is automatic under section 609A.015, or a petition is authorized under section 609A.02, subdivision 3; or other applicable law. The remedy available is limited to a court order sealing the records and prohibiting the disclosure of their existence or their opening except under court order or statutory authority. Nothing in this chapter authorizes the destruction of records or their return to the subject of the records.

EFFECTIVE DATE. This section is effective August 1, 2023.

Sec. 37. **[609A.015] AUTOMATIC EXPUNGEMENT OF RECORDS.**

Subdivision 1. **Eligibility; dismissal; exoneration.** A person who is the subject of a criminal record or delinquency record is eligible for a grant of expungement relief without the filing of a petition:

(1) upon the dismissal and discharge of proceedings against a person under section 152.18, subdivision 1, for violation of section 152.024, 152.025, or 152.027 for possession of a controlled substance;

(2) if the person was arrested and all charges were dismissed prior to a determination of probable cause; or

(3) if all pending actions or proceedings were resolved in favor of the person. For purposes of this chapter, a verdict of not guilty by reason of mental illness is not a resolution in favor of the person. For purposes of this chapter, an action or proceeding is resolved in favor of the person if the petitioner received an order under section 590.11 determining that the person is eligible for compensation based on exoneration.

Subd. 2. **Eligibility; diversion and stay of adjudication.** A person is eligible for a grant of expungement relief if the person has successfully completed the terms of a diversion program or stay of adjudication and has not been petitioned or charged with a new crime for one year immediately following completion of the diversion program or stay of adjudication.

Subd. 3. **Eligibility; certain criminal and delinquency proceedings.** (a) A person is eligible for a grant of expungement relief if the person:

(1) was adjudicated delinquent for, convicted of, or received a stayed sentence for a qualifying offense;

(2) has not been convicted of a new crime in Minnesota during the applicable waiting period immediately following discharge of the disposition or sentence for the crime;

(3) is not incarcerated or charged with an offense in Minnesota at the time the person reaches the end of the applicable waiting period; and

(4) has not been convicted of a new crime in any other jurisdiction during the applicable waiting period immediately following discharge of the disposition or sentence for the crime, if the qualifying offense was a felony.

(b) As used in this subdivision, "qualifying offense" means an adjudication, conviction, or stayed sentence for:

(1) any petty misdemeanor offense other than a violation of a traffic regulation relating to the operation or parking of motor vehicles;

(2) any misdemeanor offense other than:

(i) section 169A.27 (fourth-degree driving while impaired);

(ii) section 518B.01, subdivision 14 (violation of an order for protection);

(iii) section 609.224 (assault in the fifth degree);

(iv) section 609.2242 (domestic assault);

(v) section 609.748 (violation of a harassment restraining order);

(vi) section 609.78 (interference with emergency call);

(vii) section 609.79 (obscene or harassing phone calls);

(viii) section 617.23 (indecent exposure); or

(ix) section 629.75 (violation of domestic abuse no contact order);

(3) any gross misdemeanor offense other than:

(i) section 169A.25 (second-degree driving while impaired);

(ii) section 169A.26 (third-degree driving while impaired);

(iii) section 518B.01, subdivision 14 (violation of an order for protection);

(iv) section 609.2231 (assault in the fourth degree);

(v) section 609.224 (assault in the fifth degree);

(vi) section 609.2242 (domestic assault);

(vii) section 609.233 (criminal neglect);

(viii) section 609.3451 (criminal sexual conduct in the fifth degree);

(ix) section 609.377 (malicious punishment of child);

(x) section 609.485 (escape from custody);

(xi) section 609.498 (tampering with witness);

(xii) section 609.582, subdivision 4 (burglary in the fourth degree);

(xiii) section 609.746 (interference with privacy);

(xiv) section 609.748 (violation of a harassment restraining order);

(xv) section 609.749 (harassment; stalking);

(xvi) section 609.78 (interference with emergency call);

(xvii) section 617.23 (indecent exposure);

(xviii) section 617.261 (nonconsensual dissemination of private sexual images); or

(xix) section 629.75 (violation of domestic abuse no contact order); and

(4) any of the following felony offenses:

(i) section 152.025 (controlled substance crime in the fifth degree);

(ii) section 152.097 (simulated controlled substances);

(iii) section 256.98 (wrongfully obtaining assistance; theft);

(iv) section 256.984 (false declaration in assistance application);

(v) any offense sentenced under section 609.52, subdivision 3, clause (3)(a) (theft of $5,000 or less);

(vi) any offense sentenced under section 609.528, subdivision 3, clause (3) (possession or sale of stolen or counterfeit check);

(vii) section 609.529 (mail theft);

(viii) section 609.53 (receiving stolen property);

(ix) any offense sentenced under section 609.535, subdivision 2a, paragraph (a), clause (1) (dishonored check over $500);

(x) section 609.59 (possession of burglary tools);

(xi) section 609.595, subdivision 1, clauses (3) to (5) (criminal damage to property);

(xii) section 609.63 (forgery);

(xiii) any offense sentenced under section 609.631, subdivision 4, clause (3)(a) (check forgery $2,500 or less); and

(xiv) any offense sentenced under section 609.821, subdivision 3, paragraph (a), clause (1), item (iii) (financial transaction card fraud).

(c) As used in this subdivision, "applicable waiting period" means:

(1) if the offense was a petty misdemeanor or a misdemeanor, two years;

(2) if the offense was a gross misdemeanor, four years; and

(3) if the offense was a felony, five years.

(d) Offenses ineligible for a grant of expungement under this section remain ineligible if deemed to be for a misdemeanor pursuant to section 609.13, subdivision 1, clause (2) or subdivision 2, clause (2).

Subd. 4. **Notice.** (a) The court shall notify a person who may become eligible for an automatic expungement under this section of that eligibility at any hearing where the court dismisses and discharges proceedings against a person under section 152.18, subdivision 1, for violation of section 152.024, 152.025, or 152.027 for possession of a controlled substance; concludes that all pending actions or proceedings were resolved in favor of the person; grants a person's placement into a diversion program; or sentences a person or otherwise imposes a consequence for a qualifying offense.

(b) To the extent possible, prosecutors, defense counsel, supervising agents, and coordinators or supervisors of a diversion program shall notify a person who may become eligible for an automatic expungement under this section of that eligibility.

(c) If any party gives notification under this subdivision, the notification shall inform the person that:

(1) an expunged record of a conviction may be opened for purposes of a background study by the Department of Human Services under section 245C.08 and for purposes of a background check by the Professional Educator Licensing and Standards Board as required under section 122A.18, subdivision 8; and

(2) the person can file a petition to expunge the record and request that it be directed to the commissioner of human services and the Professional Educator Licensing and Standards Board.

Subd. 5. **Bureau of Criminal Apprehension to identify eligible persons and grant expungement relief.** (a) The Bureau of Criminal Apprehension shall identify adjudications and convictions that qualify for a grant of expungement relief pursuant to this subdivision or subdivision 1, 2, or 3.

(b) The Bureau of Criminal Apprehension shall grant expungement relief to qualifying persons and seal its own records without requiring an application, petition, or motion.

(c) Nonpublic criminal records maintained by the Bureau of Criminal Apprehension and subject to a grant of expungement relief shall display a notation stating "expungement relief granted pursuant to section 609A.015."

(d) The Bureau of Criminal Apprehension shall inform the judicial branch of all cases for which expungement relief was granted pursuant to this section. Notification may be through electronic means and may be made in real time or in the form of a monthly report. Upon receipt of notice, the judicial branch shall seal all records relating to an arrest, indictment or information, trial, verdict, or dismissal and discharge for any case in which expungement relief was granted.

(e) The Bureau of Criminal Apprehension shall inform each agency, other than the Department of Human Services and Department of Health, and jurisdiction whose records are affected by the grant of expungement relief. Notification may be through electronic means and may be made in real time or in the form of a monthly report. Each notified agency shall seal all records relating to an arrest, indictment or information, trial, verdict, or dismissal and discharge for any case in which expungement relief was granted.

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

(g) The prosecuting attorney shall notify the victim that an offense qualifies for automatic expungement under this section in the manner provided in section 611A.03, subdivisions 1 and 2.

(h) In any subsequent prosecution of a person granted expungement relief, the expunged criminal record may be pleaded and has the same effect as if the relief had not been granted.

(i) The Bureau of Criminal Apprehension is directed to develop a system to provide criminal justice agencies with uniform statewide access to criminal records sealed by expungement.

(j) At sentencing, the prosecuting agency with jurisdiction over the criminal record may ask the court to prohibit the Bureau of Criminal Apprehension from granting expungement relief under this section. The court shall grant the request upon a showing of clear and convincing evidence that the interests of the public and public safety outweigh the disadvantages to the defendant of not sealing the record.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to individuals with dismissals, discharges, or resolutions described in subdivision 1; who successfully complete diversion as described in subdivision 2; or who are adjudicated delinquent for, convicted of, or receive a stayed sentence for a qualifying offense as described in subdivision 3 on or after that date and retroactively to individuals:

(1) with dismissals, discharges, or resolutions described in subdivision 1 that take place on or after August 1, 2021;

(2) who successfully complete diversion as described in subdivision 2 on or after August 1, 2021; or

(3) adjudicated delinquent for, convicted of, or who received a stayed sentence for a qualifying offense described in paragraph (b), clause (1), (2), or (3) on or after August 1, 2021.

Sec. 38. Minnesota Statutes 2020, section 609A.02, is amended by adding a subdivision to read:

Subd. 2a. **Expungement of arrest.** A petition may be filed under section 609A.03 to seal all records relating to an arrest if:

(1) the prosecuting authority declined to file any charges and a grand jury did not return an indictment; and

(2) the applicable limitations period under section 628.26 has expired, and no indictment or complaint was found or made and filed against the person.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to individuals arrested on or after that date.

Sec. 39. Minnesota Statutes 2020, section 609A.02, subdivision 3, is amended to read:

Subd. 3. **Certain criminal proceedings.** (a) A petition may be filed under section 609A.03 to seal all records relating to an arrest, indictment or information, trial, or verdict if the records are not subject to section 299C.11, subdivision 1, paragraph (b), and if:

(1) all pending actions or proceedings were resolved in favor of the petitioner. For purposes of this chapter, a verdict of not guilty by reason of mental illness is not a resolution in favor of the petitioner. For the purposes of this chapter, an action or proceeding is resolved in favor of the petitioner, if the petitioner received an order under section 590.11 determining that the petitioner is eligible for compensation based on exoneration;

(2) the petitioner has successfully completed the terms of a diversion program or stay of adjudication and has not been charged with a new crime for at least one year since completion of the diversion program or stay of adjudication;

(3) the petitioner was convicted of or received a stayed sentence for a petty misdemeanor or misdemeanor and has not been convicted of a new crime for at least two years since discharge of the sentence for the crime;

(4) the petitioner was convicted of or received a stayed sentence for a gross misdemeanor and has not been convicted of a new crime for at least four years since discharge of the sentence for the crime; or

(5) the petitioner was convicted of or received a stayed sentence for a felony violation of an offense listed in paragraph (b), and has not been convicted of a new crime for at least five years since discharge of the sentence for the crime.

(b) Paragraph (a), clause (5), applies to the following offenses:

(1) section 35.824 (altering livestock certificate);

(2) section 62A.41 (insurance regulations);

(3) section 86B.865, subdivision 1 (certification for title on watercraft);

(4) section 152.025 (controlled substance in the fifth degree); or 152.097 (sale of simulated controlled substance);

(5) section 168A.30, subdivision 1 (certificate of title false information); or 169.09, subdivision 14, paragraph (a), clause (2) (accident resulting in great bodily harm);

(6) chapter 201; 203B; or 204C (voting violations);

(7) section 228.45; 228.47; 228.49; 228.50; or 228.51 (false bill of lading);

(8) section 256.98 (wrongfully obtaining assistance);

(9) section 256.984 (false declaration in assistance application);

~~(9)~~ (10) section 296A.23, subdivision 2 (willful evasion of fuel tax);

~~(10)~~ (11) section 297D.09, subdivision 1 (failure to affix stamp on scheduled substances);

~~(11)~~ (12) section 297G.19 (liquor taxation); or 340A.701 (unlawful acts involving liquor);

~~(12)~~ (13) section 325F.743 (precious metal dealers); or 325F.755, subdivision 7 (prize notices and solicitations);

~~(13)~~ (14) section 346.155, subdivision 10 (failure to control regulated animal);

~~(14)~~ (15) section 349.2127; or 349.22 (gambling regulations);

~~(15)~~ (16) section 588.20 (contempt);

~~(16)~~ (17) section 609.27, subdivision 1, clauses (2) to (5) (coercion);

~~(17)~~ (18) section 609.31 (leaving state to evade establishment of paternity);

~~(18)~~ (19) section 609.485, subdivision 4, paragraph (a), clause (2) or (4) (escape from civil commitment for mental illness);

~~(19)~~ (20) section 609.49 (failure to appear in court);

~~(20)~~ (21) section 609.52, subdivision 3, clause (3)(a) (theft of $5,000 or less), or other theft offense that is sentenced under this provision; 609.52, subdivision 3, clause (2) (theft of $5,000 to $35,000); or 609.52, subdivision 3a, clause (1) (theft of $1,000 or less with risk of bodily harm);

~~(21)~~ (22) section 609.525 (bringing stolen goods into state);

~~(22)~~ (23) section 609.526, subdivision 2, clause (2) (metal dealer receiving stolen goods);

~~(23)~~ (24) section 609.527, subdivision 5b (possession or use of scanning device or reencoder); 609.528, subdivision 3, clause (3) (possession or sale of stolen or counterfeit check); or 609.529 (mail theft);

~~(24)~~ (25) section 609.53 (receiving stolen goods);

~~(25)~~ (26) section 609.535, subdivision 2a, paragraph (a), clause (1) (dishonored check over $500);

~~(26)~~ (27) section 609.54, clause (1) (embezzlement of public funds $2,500 or less);

~~(27)~~ (28) section 609.551 (rustling and livestock theft);

~~(28)~~ (29) section 609.5641, subdivision 1a, paragraph (a) (wildfire arson);

~~(29)~~ (30) section 609.576, subdivision 1, clause (3), item (iii) (negligent fires);

(31) section 609.59 (possession of burglary or theft tools);

~~(30)~~ (32) section 609.595, subdivision 1, clauses (3) to (5)~~, and subdivision 1a, paragraph (a) (criminal damage to property)~~;

~~(31)~~ (33) section 609.597, subdivision 3, clause (3) (assaulting or harming police horse);

~~(32)~~ (34) section 609.625 (aggravated forgery); 609.63 (forgery); 609.631, subdivision 4, clause (3)(a) (check forgery $2,500 or less); 609.635 (obtaining signature by false pretense); 609.64 (recording, filing forged instrument); or 609.645 (fraudulent statements);

~~(33)~~ (35) section 609.65, clause (1) (false certification by notary); or 609.651, subdivision 4, paragraph (a) (lottery fraud);

~~(34)~~ (36) section 609.652 (fraudulent driver's license and identification card);

~~(35)~~ (37) section 609.66, subdivision 1a, paragraph (a) (discharge of firearm; silencer); or 609.66, subdivision 1b (furnishing firearm to minor);

~~(36)~~ (38) section 609.662, subdivision 2, paragraph (b) (duty to render aid);

~~(37)~~ (39) section 609.686, subdivision 2 (tampering with fire alarm);

~~(38)~~ (40) section 609.746, subdivision 1, paragraph (e) (interference with privacy; subsequent violation or minor victim);

~~(39)~~ (41) section 609.80, subdivision 2 (interference with cable communications system);

~~(40)~~ (42) section 609.821, subdivision 2 (financial transaction card fraud);

~~(41)~~ (43) section 609.822 (residential mortgage fraud);

~~(42)~~ (44) section 609.825, subdivision 2 (bribery of participant or official in contest);

~~(43)~~ (45) section 609.855, subdivision 2, paragraph (c), clause (1) (interference with transit operator);

~~(44)~~ (46) section 609.88 (computer damage); or 609.89 (computer theft);

~~(45)~~ (47) section 609.893, subdivision 2 (telecommunications and information services fraud);

~~(46)~~ (48) section 609.894, subdivision 3 or 4 (cellular counterfeiting);

~~(47)~~ (49) section 609.895, subdivision 3, paragraph (a) or (b) (counterfeited intellectual property);

~~(48)~~ (50) section 609.896 (movie pirating);

~~(49)~~ (51) section 624.7132, subdivision 15, paragraph (b) (transfer pistol to minor); 624.714, subdivision 1a (pistol without permit; subsequent violation); or 624.7141, subdivision 2 (transfer of pistol to ineligible person); or

~~(50)~~ (52) section 624.7181 (rifle or shotgun in public by minor).

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 40. Minnesota Statutes 2020, section 609A.025, is amended to read:

609A.025 NO PETITION REQUIRED IN CERTAIN CASES WITH PROSECUTOR AGREEMENT AND NOTIFICATION.

(a) If the prosecutor agrees to the sealing of a criminal record, the court shall seal the criminal record for a person described in section 609A.02, subdivision 3, without the filing of a petition unless it determines that the interests of the public and public safety in keeping the record public outweigh the disadvantages to the subject of the record in not sealing it. The prosecutor shall inform the court whether the context and circumstances of the underlying crime indicate a nexus between the criminal record to be expunged and the person's status as a crime victim and, if so, request that the court make the appropriate findings to support the relief described in section 609A.03, subdivision 6a.

(b) At least 90 days before agreeing to the sealing of a record under this section, the prosecutor shall make a good faith effort to notify any identifiable victims of the offense of the intended agreement and the opportunity to object to the agreement.

(c) Subject to paragraph (b), the agreement of the prosecutor to the sealing of records for a person described in section 609A.02, subdivision 3, paragraph (a), clause (2), may occur before or after the criminal charges are dismissed.

(d) A prosecutor shall agree to the sealing of a criminal record for a person described in section 609A.02, subdivision 2a, unless substantial and compelling reasons exist to object to the sealing.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to agreements to the sealing of a criminal record entered into by a prosecutor on or after that date.

Sec. 41. Minnesota Statutes 2020, section 609A.03, subdivision 5, is amended to read:

Subd. 5. **Nature of remedy; standard.** (a) Except as otherwise provided by paragraph (b), expungement of a criminal record under this section is an extraordinary remedy to be granted only upon clear and convincing evidence that it would yield a benefit to the petitioner commensurate with the disadvantages to the public and public safety of:

(1) sealing the record; and

(2) burdening the court and public authorities to issue, enforce, and monitor an expungement order.

(b) Except as otherwise provided by this paragraph, if the petitioner is petitioning for the sealing of a criminal record under section 609A.02, subdivision 3, paragraph (a), clause (1) or (2), the court shall grant the petition to seal the record unless the agency or jurisdiction whose records would be affected establishes by clear and convincing evidence that the interests of the public and public safety outweigh the disadvantages to the petitioner of not sealing the record.

(c) In making a determination under this subdivision, the court shall consider:

(1) the nature and severity of the underlying crime, the record of which would be sealed;

(2) the risk, if any, the petitioner poses to individuals or society;

(3) the length of time since the crime occurred;

(4) the steps taken by the petitioner toward rehabilitation following the crime;

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

(6) the reasons for the expungement, including the petitioner's attempts to obtain employment, housing, or other necessities;

(7) the petitioner's criminal record;

(8) the petitioner's record of employment and community involvement;

(9) the recommendations of interested law enforcement, prosecutorial, and corrections officials;

(10) the recommendations of victims or whether victims of the underlying crime were minors;

(11) the amount, if any, of restitution outstanding, past efforts made by the petitioner toward payment, and the measures in place to help ensure completion of restitution payment after expungement of the record if granted; and

(12) other factors deemed relevant by the court.

(d) Notwithstanding section 13.82, 13.87, or any other law to the contrary, if the court issues an expungement order it may require that the criminal record be sealed, the existence of the record not be revealed, and the record not be opened except as required under subdivision 7. Records must not be destroyed or returned to the subject of the record.

(e) Information relating to a criminal history record of an employee, former employee, or tenant that has been expunged before the occurrence of the act giving rise to the civil action may not be introduced as evidence in a civil action against a private employer or landlord or its employees or agents that is based on the conduct of the employee, former employee, or tenant.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 42. Minnesota Statutes 2020, section 609A.03, subdivision 7, is amended to read:

Subd. 7. **Limitations of order effective before January 1, 2015.** (a) Upon issuance of an expungement order related to a charge supported by probable cause, the DNA samples and DNA records held by the Bureau of Criminal Apprehension and collected under authority other than section 299C.105, shall not be sealed, returned to the subject of the record, or destroyed.

(b) Notwithstanding the issuance of an expungement order:

(1) an expunged record may be opened for purposes of a criminal investigation, prosecution, or sentencing, upon an ex parte court order;

(2) an expunged record of a conviction may be opened for purposes of evaluating a prospective employee in a criminal justice agency without a court order; ~~and~~

(3) an expunged record of a conviction may be opened for purposes of a background study under section 245C.08 unless the court order for expungement is directed specifically to the commissioner of human services; and

(4) the Bureau of Criminal Apprehension shall include summary entries of expunged records in all nonpublic criminal histories it generates for use by criminal justice agencies.

Upon request by law enforcement, prosecution, or corrections authorities, an agency or jurisdiction subject to an expungement order shall inform the requester of the existence of a sealed record and of the right to obtain access to it as provided by this paragraph. For purposes of this section, a "criminal justice agency" means courts or a government agency that performs the administration of criminal justice under statutory authority.

(c) This subdivision applies to expungement orders subject to its limitations and effective before January 1, 2015.

EFFECTIVE DATE. This section is effective August 1, 2023.

Sec. 43. Minnesota Statutes 2020, section 609A.03, subdivision 7a, is amended to read:

Subd. 7a. **Limitations of order effective January 1, 2015, and later.** (a) Upon issuance of an expungement order related to a charge supported by probable cause, the DNA samples and DNA records held by the Bureau of Criminal Apprehension and collected under authority other than section 299C.105 shall not be sealed, returned to the subject of the record, or destroyed.

(b) Notwithstanding the issuance of an expungement order:

(1) except as provided in clause (2), an expunged record may be opened, used, or exchanged between criminal justice agencies without a court order for the purposes of initiating, furthering, or completing a criminal investigation or prosecution or for sentencing purposes or providing probation or other correctional services;

(2) when a criminal justice agency seeks access to a record that was sealed under section 609A.02, subdivision 3, paragraph (a), clause (1), or 609A.015, subdivision 1, clause (3), after an acquittal or a court order dismissing for lack of probable cause, for purposes of a criminal investigation, prosecution, or sentencing, the requesting agency must obtain an ex parte court order after stating a good-faith basis to believe that opening the record may lead to relevant information;

(3) an expunged record of a conviction may be opened for purposes of evaluating a prospective employee in a criminal justice agency without a court order;

(4) an expunged record of a conviction may be opened for purposes of a background study under section 245C.08 unless the commissioner had been properly served with notice of the petition for expungement and the court order for expungement is directed specifically to the commissioner of human services;

(5) an expunged record of a conviction may be opened for purposes of a background check required under section 122A.18, subdivision 8, unless the court order for expungement is directed specifically to the Professional Educator Licensing and Standards Board or the licensing division of the Department of Education; ~~and~~

(6) the court may order an expunged record opened upon request by the victim of the underlying offense if the court determines that the record is substantially related to a matter for which the victim is before the court;

(7) a prosecutor may request, and the district court shall provide, certified records of conviction for a record expunged pursuant to sections 609A.015, 609A.02, and 609A.025, and the certified records of conviction may be disclosed and introduced in criminal court proceedings as provided by the rules of court and applicable law;

(8) the Bureau of Criminal Apprehension shall include summary entries of expunged records in all nonpublic criminal histories it generates for use by criminal justice agencies; and

(9) the subject of an expunged record may request, and the court shall provide, certified or uncertified records of conviction for a record expunged pursuant to sections 609A.015, 609A.02, and 609A.025.

(c) An agency or jurisdiction subject to an expungement order shall maintain the record in a manner that provides access to the record by a criminal justice agency under paragraph (b), clause (1) or (2), but notifies the recipient that the record has been sealed. The Bureau of Criminal Apprehension shall notify the commissioner of human services, the Professional Educator Licensing and Standards Board, or the licensing division of the Department of Education of the existence of a sealed record and of the right to obtain access under paragraph (b), clause (4) or (5). Upon request, the agency or jurisdiction subject to the expungement order shall provide access to the record to the commissioner of human services, the Professional Educator Licensing and Standards Board, or the licensing division of the Department of Education under paragraph (b), clause (4) or (5).

(d) An expunged record that is opened or exchanged under this subdivision remains subject to the expungement order in the hands of the person receiving the record.

(e) A criminal justice agency that receives an expunged record under paragraph (b), clause (1) or (2), must maintain and store the record in a manner that restricts the use of the record to the investigation, prosecution, or sentencing for which it was obtained.

(f) For purposes of this section, a "criminal justice agency" means a court or government agency that performs the administration of criminal justice under statutory authority.

(g) This subdivision applies to expungement orders subject to its limitations and effective on or after January 1, 2015.

EFFECTIVE DATE. This section is effective August 1, 2021, except that paragraph (b), clause (8) is effective August 1, 2023.

Sec. 44. Minnesota Statutes 2020, section 609A.03, subdivision 9, is amended to read:

Subd. 9. **Stay of order; appeal.** An expungement order issued under this section shall be stayed automatically for 60 days after the order is filed and, if the order is appealed, during the appeal period. A person or an agency or jurisdiction whose records would be affected by the order may appeal the order within 60 days of service of notice of filing of the order. An agency or jurisdiction or its officials or employees need not file a cost bond or supersedeas bond in order to further stay the proceedings or file an appeal.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 45. Minnesota Statutes 2020, section 611A.03, subdivision 1, is amended to read:

Subdivision 1. **Plea agreements; notification of victim.** Prior to the entry of the factual basis for a plea pursuant to a plea agreement recommendation, a prosecuting attorney shall make a reasonable and good faith effort to inform the victim of:

(1) the contents of the plea agreement recommendation, including the amount of time recommended for the defendant to serve in jail or prison if the court accepts the agreement; ~~and~~

(2) the right to be present at the sentencing hearing and at the hearing during which the plea is presented to the court and to express orally or in writing, at the victim's option, any objection to the agreement or to the proposed disposition. If the victim is not present when the court considers the recommendation, but has communicated objections to the prosecuting attorney, the prosecuting attorney shall make these objections known to the court; and

(3) the eligibility of the offense for automatic expungement pursuant to section 609A.015, and the victim's right to express to the court orally or in writing, at the victim's option, any objection to a grant of expungement relief. If the victim is not present, but has communicated objections to the prosecuting attorney, the prosecuting attorney shall make these objections known to the court.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to plea agreements entered into on or after that date.

Sec. 46. **TASK FORCE ON THE CONTENTS AND USE OF PRESENTENCE INVESTIGATION REPORTS AND IMPOSITION OF CONDITIONS OF PROBATION.**

Subdivision 1. **Establishment.** The task force on the contents and use of presentence investigation reports and imposition of conditions of probation is established to review the statutory requirements in Minnesota Statutes, section 609.115, for the content of presentence investigation reports and determine whether that level of information is useful and necessary in all cases; determine whether presentence investigation reports should be required in all cases or only a subset of cases; collect and analyze data on the conditions of probation ordered by courts; assess whether current practices promote public safety and equity in sentencing; and make recommendations to the legislature.

Subd. 2. **Membership.** (a) The task force consists of the following members:

(1) two members of the house of representatives, one appointed by the speaker of the house and one appointed by the minority leader;

(2) two members of the senate, one appointed by the majority leader and one appointed by the minority leader;

(3) the commissioner of corrections or a designee;

(4) two district court judges of which one shall be a judge in a metropolitan county and one shall be a judge in a county other than a metropolitan county, appointed by the chief justice of the supreme court;

(5) the chair of the Minnesota Sentencing Guidelines Commission or a designee;

(6) the state public defender or a designee;

(7) one county attorney, appointed by the Minnesota County Attorneys Association; and

(8) three probation officers including one employee of the Department of Corrections, one employee of a county that takes part in the Community Corrections Act, and one employee of a county that does not take part in the Community Corrections Act, appointed by the commissioner of corrections.

(b) As used in this section, "metropolitan county" has the meaning given in Minnesota Statutes, section 473.121, subdivision 4.

(c) Appointments must be made no later than July 30, 2021.

(d) Members shall serve without compensation.

(e) Members of the task force serve at the pleasure of the appointing authority or until the task force expires. Vacancies shall be filled by the appointing authority consistent with the qualifications of the vacating member required by this subdivision.

Subd. 3. **Officers; meetings.** (a) The task force shall elect a chair and vice-chair and may elect other officers as necessary.

(b) The commissioner of corrections shall convene the first meeting of the task force no later than August 1, 2021, and shall provide meeting space and administrative assistance as necessary for the task force to conduct its work.

(c) The task force shall meet at least monthly or upon the call of its chair. The task force shall meet sufficiently enough to accomplish the tasks identified in this section. Meetings of the task force are subject to Minnesota Statutes, chapter 13D.

(d) To compile and analyze data, the task force may request the cooperation and assistance of local law enforcement agencies, the Minnesota Sentencing Guidelines Commission, the judicial branch, the Bureau of Criminal Apprehension, county attorneys, and Tribal governments, academics, and others with experience and expertise in researching probation and criminal sentences.

Subd. 4. **Duties.** (a) The task force shall, at a minimum:

(1) collect and analyze available data on how often presentence investigation reports are filed with the court, and in which types of cases;

(2) review and discuss whether presentence investigation reports should be required in all felony cases, and make recommendations to the legislature;

(3) review and discuss the required content of presentence investigation reports, determine whether that level of detail is needed in every case, and consider recommendations for changing the required content;

(4) collect and analyze available data on conditions of probation imposed by courts;

(5) assess what factors courts consider when imposing conditions of probation;

(6) determine what data is available to show whether particular conditions of probation are effective in promoting public safety and rehabilitation of an offender;

(7) determine whether conditions of probation are consistent across geographic and demographic groups and, if not, how they differ;

(8) determine the most effective methods to provide a court with relevant information to establish appropriate conditions of probation;

(9) review relevant state statutes and state and federal court decisions; and

(10) make recommendations for legislative action, if any, on laws affecting presentence investigation reports and appropriate conditions of probation.

(b) At its discretion, the task force may examine, as necessary, other related issues consistent with this section.

Subd. 5. **Report.** On or before January 15, 2023, the task force shall submit a report to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over criminal sentencing on the findings and recommendations of the task force.

Subd. 6. **Expiration.** The task force expires the day after submitting its report under subdivision 5.

Sec. 47. **TITLE.**

Sections 36 to 45 may be referred to as the "Clean Slate Act."

Sec. 48. **SENTENCING GUIDELINES MODIFICATION.**

The Sentencing Guidelines Commission shall comprehensively review and consider modifying how the Sentencing Guidelines and the sex offender grid address the crimes described in Minnesota Statutes, section 609.322.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 49. **REVISOR INSTRUCTION.**

In Minnesota Statutes, the revisor of statutes shall substitute "364 days" for "one year" consistent with the change in section 10. The revisor shall also make other technical changes resulting from the change of term to the statutory language if necessary to preserve the meaning of the text.

Sec. 50. **REPEALER.**

Minnesota Statutes 2020, section 609.324, subdivision 3, is repealed.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to crimes committed on or after that date.

Sec. 51. **EFFECTIVE DATE.**

Sections 1 to 3, 7, 12, 13, 27, and 28 are effective the day following final enactment and apply to offenders sentenced on or after that date, and retroactively to offenders:

(1) sentenced to life imprisonment without possibility of release following a conviction under Minnesota Statutes, section 609.185, paragraph (a), for an offense committed when the offender was under 18 years of age and when a sentence was imposed pursuant to Minnesota Statutes, section 609.106, subdivision 2;

(2) sentenced to life imprisonment without possibility of release following a conviction under Minnesota Statutes, section 609.3455, subdivision 2, for an offense committed when the offender was under 18 years of age;

(3) sentenced to life imprisonment under Minnesota Statutes, section 609.185, paragraph (a), clause (3), (5), or (6); or Minnesota Statutes 2004, section 609.109, subdivision 3, for an offense committed when the offender was under 18 years of age;

(4) sentenced to life imprisonment under Minnesota Statutes, section 609.385, for an offense committed when the offender was under 18 years of age;

(5) sentenced to life imprisonment under Minnesota Statutes, section 609.3455, subdivision 3 or 4, if the minimum term of imprisonment specified by the court in its sentence exceeds 15 years for an offense committed when the offender was under 18 years of age; or

(6) sentenced to an executed sentence that includes a term of imprisonment of more than 15 years or separate, consecutive executed sentences for two or more crimes that include combined terms of imprisonment that total more than 15 years for an offense committed when the offender was under 18 years of age.

ARTICLE 15
PUBLIC SAFETY

Section 1. Minnesota Statutes 2020, section 169A.55, subdivision 2, is amended to read:

Subd. 2. **Reinstatement of driving privileges; notice.** Upon expiration of a period of revocation under section 169A.52 (license revocation for test failure or refusal), 169A.54 (impaired driving convictions and adjudications; administrative penalties), or 171.177 (revocation; search warrant), the commissioner shall notify the person of the terms upon which driving privileges can be reinstated, and new registration plates issued, which terms are: (1) ~~successful completion of an examination and~~ proof of compliance with any terms of alcohol treatment or counseling previously prescribed, if any; and (2) any other requirements imposed by the commissioner and applicable to that particular case. The commissioner shall notify the owner of a motor vehicle subject to an impoundment order under section 169A.60 (administrative impoundment of plates) as a result of the violation of the procedures for obtaining new registration plates, if the owner is not the violator. The commissioner shall also notify the person that if driving is resumed without reinstatement of driving privileges or without valid registration plates and registration certificate, the person will be subject to criminal penalties.

Sec. 2. Minnesota Statutes 2020, section 169A.55, subdivision 4, is amended to read:

Subd. 4. **Reinstatement of driving privileges; multiple incidents.** (a) A person whose driver's license has been revoked as a result of an offense listed under clause (2) shall not be eligible for reinstatement of driving privileges without an ignition interlock restriction until the commissioner certifies that either:

(1) the person did not own or lease a vehicle at the time of the offense or at any time between the time of the offense and the driver's request for reinstatement, or commit a violation of chapter 169, 169A, or 171 between the time of the offense and the driver's request for reinstatement or at the time of the arrest for the offense listed under clause (2), item (i), subitem (A) or (B), or (ii), subitem (A) or (B), as based on:

(i) a request by the person for reinstatement, on a form to be provided by the Department of Public Safety;

(ii) the person's attestation under penalty of perjury; and

(iii) the submission by the driver of certified copies of vehicle registration records and driving records for the period from the arrest until the driver seeks reinstatement of driving privileges; or

(2) the person used the ignition interlock device and complied with section 171.306 for a period of not less than:

(i) one year, for a person whose driver's license was revoked for:

(A) an offense occurring within ten years of a qualified prior impaired driving incident; or

(B) an offense occurring after two qualified prior impaired driving incidents; or

(ii) two years, for a person whose driver's license was revoked for:

(A) an offense occurring under item (i), subitem (A) or (B), and the test results indicated an alcohol concentration of twice the legal limit or more; or

(B) an offense occurring under item (i), subitem (A) or (B), and the current offense is for a violation of section 169A.20, subdivision 2.

~~(a)~~ (b) A person whose driver's license has been canceled or denied as a result of three or more qualified impaired driving incidents shall not be eligible for reinstatement of driving privileges without an ignition interlock restriction until the person:

(1) has completed rehabilitation according to rules adopted by the commissioner or been granted a variance from the rules by the commissioner; and

(2) has submitted verification of abstinence from alcohol and controlled substances under paragraph (c), as evidenced by the person's use of an ignition interlock device or other chemical monitoring device approved by the commissioner.

~~(b)~~ (c) The verification of abstinence must show that the person has abstained from the use of alcohol and controlled substances for a period of not less than:

(1) three years, for a person whose driver's license was canceled or denied for an offense occurring within ten years of the first of two qualified prior impaired driving incidents, or occurring after three qualified prior impaired driving incidents;

(2) four years, for a person whose driver's license was canceled or denied for an offense occurring within ten years of the first of three qualified prior impaired driving incidents; or

(3) six years, for a person whose driver's license was canceled or denied for an offense occurring after four or more qualified prior impaired driving incidents.

~~(c) The commissioner shall establish performance standards and a process for certifying chemical monitoring devices. The standards and procedures are not rules and are exempt from chapter 14, including section 14.386.~~

Sec. 3. Minnesota Statutes 2020, section 169A.60, subdivision 13, is amended to read:

Subd. 13. **Special registration plates.** (a) At any time during the effective period of an impoundment order, a violator or registered owner may apply to the commissioner for new registration plates, which must bear a special series of numbers or letters so as to be readily identified by traffic law enforcement officers. The commissioner may authorize the issuance of special plates if:

(1) the violator has a qualified licensed driver whom the violator must identify;

(2) the violator or registered owner has a limited license issued under section 171.30;

(3) the registered owner is not the violator and the registered owner has a valid or limited driver's license;

(4) a member of the registered owner's household has a valid driver's license; or

(5) the violator has been reissued a valid driver's license.

(b) The commissioner may not issue new registration plates for that vehicle subject to plate impoundment for a period of at least one year from the date of the impoundment order. In addition, if the owner is the violator, new registration plates may not be issued for the vehicle unless the person has been reissued a valid driver's license in accordance with chapter 171.

(c) A violator may not apply for new registration plates for a vehicle at any time before the person's driver's license is reinstated.

(d) The commissioner may issue the special plates on payment of a $50 fee for each vehicle for which special plates are requested.

(e) Paragraphs (a) to (d) notwithstanding, the commissioner must issue upon request new registration plates for ~~a~~ any vehicle owned by a violator or registered owner for which the registration plates have been impounded if:

(1) the impoundment order is rescinded;

(2) the vehicle is transferred in compliance with subdivision 14; or

(3) the vehicle is transferred to a Minnesota automobile dealer licensed under section 168.27, a financial institution that has submitted a repossession affidavit, or a government agency.

(f) Notwithstanding paragraphs (a) to (d), the commissioner, upon request and payment of a $100 fee for each vehicle for which special plates are requested, must issue new registration plates for any vehicle owned by a violator or registered owner for which the registration plates have been impounded if the violator becomes a program participant in the ignition interlock program under section 171.306.

Sec. 4. Minnesota Statutes 2020, section 171.29, subdivision 1, is amended to read:

Subdivision 1. **Examination required.** (a) No person whose driver's license has been revoked by reason of conviction, plea of guilty, or forfeiture of bail not vacated, under section 169.791, 169.797, 171.17, or 171.172, or revoked under section 169.792~~, 169A.52, or 171.177~~ shall be issued another license unless and until that person shall have successfully passed an examination as required by the commissioner of public safety. This subdivision does not apply to an applicant for early reinstatement under section 169.792, subdivision 7a.

(b) The requirement to successfully pass the examination described in paragraph (a) does not apply to a person whose driver's license has been revoked because of an impaired driving offense.

Sec. 5. Minnesota Statutes 2020, section 171.30, subdivision 1, is amended to read:

Subdivision 1. **Conditions of issuance.** (a) The commissioner may issue a limited license to the driver under the conditions in paragraph (b) in any case where a person's license has been:

(1) suspended under section 171.18, 171.173, 171.186, or 171.187;

(2) revoked, canceled, or denied under section:

(i) 169.792;

(ii) 169.797;

(iii) 169A.52:

(A) subdivision 3, paragraph (a), clause (1) or (2); or

~~(B) subdivision 3, paragraph (a), clause (4), (5), or (6), if in compliance with section 171.306;~~

~~(C)~~ (B) subdivision 4, paragraph (a), clause (1) or (2), if the test results indicate an alcohol concentration of less than twice the legal limit;

~~(D) subdivision 4, paragraph (a), clause (4), (5), or (6), if in compliance with section 171.306;~~

(iv) 171.17; or

(v) 171.172;

(3) revoked, canceled, or denied under section 169A.54:

(i) subdivision 1, clause (1), if the test results indicate an alcohol concentration of less than twice the legal limit;

(ii) subdivision 1, clause (2); or

~~(iii) subdivision 1, clause (5), (6), or (7), if in compliance with section 171.306; or~~

~~(iv)~~ (iii) subdivision 2, if the person does not have a qualified prior impaired driving incident as defined in section 169A.03, subdivision 22, on the person's record, and the test results indicate an alcohol concentration of less than twice the legal limit; or

(4) revoked, canceled, or denied under section 171.177:

(i) subdivision 4, paragraph (a), clause (1) or (2); or

~~(ii) subdivision 4, paragraph (a), clause (4), (5), or (6), if in compliance with section 171.306;~~

~~(iii)~~ (ii) subdivision 5, paragraph (a), clause (1) or (2), if the test results indicate an alcohol concentration of less than twice the legal limit~~; or~~.

~~(iv) subdivision 5, paragraph (a), clause (4), (5), or (6), if in compliance with section 171.306.~~

(b) The following conditions for a limited license under paragraph (a) include:

(1) if the driver's livelihood or attendance at a chemical dependency treatment or counseling program depends upon the use of the driver's license;

(2) if the use of a driver's license by a homemaker is necessary to prevent the substantial disruption of the education, medical, or nutritional needs of the family of the homemaker; or

(3) if attendance at a postsecondary institution of education by an enrolled student of that institution depends upon the use of the driver's license.

(c) The commissioner in issuing a limited license may impose such conditions and limitations as in the commissioner's judgment are necessary to the interests of the public safety and welfare including reexamination as to the driver's qualifications. The license may be limited to the operation of particular vehicles, to particular classes and times of operation, and to particular conditions of traffic. The commissioner may require that an applicant for a limited license affirmatively demonstrate that use of public transportation or carpooling as an alternative to a limited license would be a significant hardship.

(d) For purposes of this subdivision:

(1) "homemaker" refers to the person primarily performing the domestic tasks in a household of residents consisting of at least the person and the person's dependent child or other dependents; and

(2) "twice the legal limit" means an alcohol concentration of two times the limit specified in section 169A.20, subdivision 1, clause (5).

(e) The limited license issued by the commissioner shall clearly indicate the limitations imposed and the driver operating under the limited license shall have the license in possession at all times when operating as a driver.

(f) In determining whether to issue a limited license, the commissioner shall consider the number and the seriousness of prior convictions and the entire driving record of the driver and shall consider the number of miles driven by the driver annually.

(g) If the person's driver's license or permit to drive has been revoked under section 169.792 or 169.797, the commissioner may only issue a limited license to the person after the person has presented an insurance identification card, policy, or written statement indicating that the driver or owner has insurance coverage satisfactory to the commissioner of public safety. The commissioner of public safety may require the insurance identification card provided to satisfy this subdivision be certified by the insurance company to be noncancelable for a period not to exceed 12 months.

(h) The limited license issued by the commissioner to a person under section 171.186, subdivision 4, must expire 90 days after the date it is issued. The commissioner must not issue a limited license to a person who previously has been issued a limited license under section 171.186, subdivision 4.

(i) The commissioner shall not issue a limited driver's license to any person described in section 171.04, subdivision 1, clause (6), (7), (8), (11), or (14).

(j) The commissioner shall not issue a class A, class B, or class C limited license.

Sec. 6. Minnesota Statutes 2020, 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; ~~and~~

(2) include in an ignition interlock device contract a provision that a program participant who voluntarily terminates participation in 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. 7. Minnesota Statutes 2020, 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. 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 or canceled under section 169.792 or 169.797, the commissioner shall require the participant to present an insurance identification card~~, policy, or written statement as proof of insurance coverage, and may require the insurance identification card provided be~~ 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 driver's license has been: (1) revoked under section 169A.52, subdivision 3, paragraph (a), clause (1), (2), or (3), or subdivision 4, paragraph (a), clause (1), (2), or (3); 169A.54, subdivision 1, clause (1), (2), (3), or (4); or 171.177, subdivision 4, paragraph (a), clause (1), (2), or (3), or subdivision 5, paragraph (a), clause (1), (2), or (3); or (2) revoked under section 171.17, subdivision 1, paragraph (a), clause (1), or suspended under section 171.187, for a violation of section 609.2113, subdivision 1, clause (2), item (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 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 ~~a limited~~ conditional reinstatement of the driver's license, subject to the ignition interlock restriction, if the program participant is enrolled in a licensed chemical dependency treatment or rehabilitation program as recommended in a chemical use assessment~~, and if the participant meets the other applicable requirements of section 171.30. After completing~~. As a prerequisite to eligibility for eventual reinstatement of full driving privileges, a participant whose chemical use assessment recommended treatment or rehabilitation shall complete a licensed chemical dependency treatment or rehabilitation program ~~and one year of limited license use without violating the ignition interlock restriction, the conditions of limited license use, or program guidelines, the participant may apply for conditional reinstatement of the driver's license, subject to the ignition interlock restriction~~. If the program participant's ignition interlock device subsequently registers a positive breath alcohol concentration of 0.02 or higher, the commissioner shall ~~cancel the driver's license, and the program participant may apply for another limited license according to this paragraph.~~ 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.

(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 169A.55 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. 8. Minnesota Statutes 2020, section 241.01, subdivision 3a, is amended to read:

Subd. 3a. **Commissioner, powers and duties.** The commissioner of corrections has the following powers and duties:

(a) To accept persons committed to the commissioner by the courts of this state for care, custody, and rehabilitation.

(b) To determine the place of confinement of committed persons in a correctional facility or other facility of the Department of Corrections and to prescribe reasonable conditions and rules for their employment, conduct, instruction, and discipline within or outside the facility. Inmates shall not exercise custodial functions or have authority over other inmates.

(c) To administer the money and property of the department.

(d) To administer, maintain, and inspect all state correctional facilities.

(e) To transfer authorized positions and personnel between state correctional facilities as necessary to properly staff facilities and programs.

(f) To utilize state correctional facilities in the manner deemed to be most efficient and beneficial to accomplish the purposes of this section, but not to close the Minnesota Correctional Facility-Stillwater or the Minnesota Correctional Facility-St. Cloud without legislative approval. The commissioner may place juveniles and adults at the same state minimum security correctional facilities, if there is total separation of and no regular contact between juveniles and adults, except contact incidental to admission, classification, and mental and physical health care.

(g) To organize the department and employ personnel the commissioner deems necessary to discharge the functions of the department, including a chief executive officer for each facility under the commissioner's control who shall serve in the unclassified civil service and may, under the provisions of section 43A.33, be removed only for cause.

(h) To define the duties of these employees and to delegate to them any of the commissioner's powers, duties and responsibilities, subject to the commissioner's control and the conditions the commissioner prescribes.

(i) To annually develop a comprehensive set of goals and objectives designed to clearly establish the priorities of the Department of Corrections. This report shall be submitted to the governor commencing January 1, 1976. The commissioner may establish ad hoc advisory committees.

(j) To perform these duties with the goal of promoting public safety. Promoting public safety includes the promotion of human rights. "Public safety" means reducing or preventing crime while maintaining the basic rights, freedoms, and privileges that belong to every person including the right to dignity, fairness, equality, respect, and freedom from discrimination, and is achieved by preferring the use of community services to imprisonment or other confinement unless confinement is necessary to protect the public, promoting the rehabilitation of those convicted through the provision of evidence-based programming and services, and imposing sanctions that are the least restrictive necessary to achieve accountability, address the harm for the offense, and ensure victim safety.

Sec. 9. Minnesota Statutes 2020, section 243.166, subdivision 1b, is amended to read:

Subd. 1b. **Registration required.** (a) A person shall register under this section if:

(1) the person was charged with or petitioned for a felony violation of or attempt to violate, or aiding, abetting, or conspiracy to commit, any of the following, and convicted of or adjudicated delinquent for that offense or another offense arising out of the same set of circumstances:

(i) murder under section 609.185, paragraph (a), clause (2);

(ii) kidnapping under section 609.25;

(iii) criminal sexual conduct under section 609.342; 609.343; 609.344; 609.345; 609.3451, subdivision 3; or 609.3453;

(iv) indecent exposure under section 617.23, subdivision 3; or

(v) surreptitious intrusion under the circumstances described in section 609.746, subdivision 1, paragraph (f);

(2) the person was charged with or petitioned for a violation of, or attempt to violate, or aiding, abetting, or conspiring to commit any of the following and convicted of or adjudicated delinquent for that offense or another offense arising out of the same set of circumstances:

(i) criminal abuse in violation of section 609.2325, subdivision 1, paragraph (b);

(ii) false imprisonment in violation of section 609.255, subdivision 2;

(iii) solicitation, inducement, or promotion of the prostitution of a minor or engaging in the sex trafficking of a minor in violation of section 609.322;

(iv) a prostitution offense in violation of section 609.324, subdivision 1, paragraph (a);

(v) soliciting a minor to engage in sexual conduct in violation of section 609.352, subdivision 2 or 2a, clause (1);

(vi) using a minor in a sexual performance in violation of section 617.246; or

(vii) possessing pornographic work involving a minor in violation of section 617.247;

(3) the person was sentenced as a patterned sex offender under section 609.3455, subdivision 3a; or

(4) the person was charged with or petitioned for, including pursuant to a court martial, violating a law of the United States, including the Uniform Code of Military Justice, similar to ~~the offenses~~ an offense or involving similar circumstances to an offense described in clause (1), (2), or (3), and convicted of or adjudicated delinquent for that offense or another offense arising out of the same set of circumstances.

(b) A person also shall register under this section if:

(1) the person was charged with or petitioned for an offense in another state ~~that would be a violation of a law~~ similar to an offense or involving similar circumstances to an offense described in paragraph (a) ~~if committed in this state~~, clause (1), (2), or (3), and convicted of or adjudicated delinquent for that offense or another offense arising out of the same set of circumstances;

(2) the person enters this state to reside, work, or attend school, or enters this state and remains for 14 days or longer or for an aggregate period of time exceeding 30 days during any calendar year; and

(3) ten years have not elapsed since the person was released from confinement or, if the person was not confined, since the person was convicted of or adjudicated delinquent for the offense that triggers registration, unless the person is subject to a longer registration period under the laws of another state in which the person has been convicted or adjudicated, or is subject to lifetime registration.

If a person described in this paragraph is subject to a longer registration period in another state or is subject to lifetime registration, the person shall register for that time period regardless of when the person was released from confinement, convicted, or adjudicated delinquent.

(c) A person also shall register under this section if the person was committed pursuant to a court commitment order under Minnesota Statutes 2012, section 253B.185, chapter 253D, Minnesota Statutes 1992, section 526.10, or a similar law of another state or the United States, regardless of whether the person was convicted of any offense.

(d) A person also shall register under this section if:

(1) the person was charged with or petitioned for a felony violation or attempt to violate any of the offenses listed in paragraph (a), clause (1), or a similar law of another state or the United States, or the person was charged with or petitioned for a violation of any of the offenses listed in paragraph (a), clause (2), or a similar law of another state or the United States;

(2) the person was found not guilty by reason of mental illness or mental deficiency after a trial for that offense, or found guilty but mentally ill after a trial for that offense, in states with a guilty but mentally ill verdict; and

(3) the person was committed pursuant to a court commitment order under section 253B.18 or a similar law of another state or the United States.

EFFECTIVE DATE. This section is effective July 1, 2021, and applies to offenders who live in the state or who enter the state on or after that date.

Sec. 10. Minnesota Statutes 2020, section 243.166, subdivision 4b, is amended to read:

Subd. 4b. **Health care facility; notice of status.** (a) For the purposes of this subdivision:

(1) "health care facility" means a facility:

(i) licensed by the commissioner of health as a hospital, boarding care home or supervised living facility under sections 144.50 to 144.58, or a nursing home under chapter 144A;

(ii) registered by the commissioner of health as a housing with services establishment as defined in section 144D.01; or

(iii) licensed by the commissioner of human services as a residential facility under chapter 245A to provide adult foster care, adult mental health treatment, chemical dependency treatment to adults, or residential services to persons with disabilities; ~~and~~

(2) "home care provider" has the meaning given in section 144A.43~~.~~; and

(3) "hospice provider" has the meaning given in section 144A.75.

(b) Prior to admission to a health care facility or home care services from a home care provider or hospice services from a hospice provider, a person required to register under this section shall disclose to:

(1) the health care facility employee or the home care provider or hospice provider processing the admission the person's status as a registered predatory offender under this section; and

(2) the person's corrections agent, or if the person does not have an assigned corrections agent, the law enforcement authority with whom the person is currently required to register, that admission will occur.

(c) A law enforcement authority or corrections agent who receives notice under paragraph (b) or who knows that a person required to register under this section is planning to be admitted and receive, or has been admitted and is receiving health care at a health care facility or home care services from a home care provider or hospice services from a hospice provider, shall notify the administrator of the facility or the home care provider or the hospice provider and deliver a fact sheet to the administrator or provider containing the following information: (1) name and physical description of the offender; (2) the offender's conviction history, including the dates of conviction; (3) the risk level classification assigned to the offender under section 244.052, if any; and (4) the profile of likely victims.

(d) Except for a hospital licensed under sections 144.50 to 144.58, if a health care facility receives a fact sheet under paragraph (c) that includes a risk level classification for the offender, and if the facility admits the offender, the facility shall distribute the fact sheet to all residents at the facility. If the facility determines that distribution to a resident is not appropriate given the resident's medical, emotional, or mental status, the facility shall distribute the fact sheet to the patient's next of kin or emergency contact.

(e) If a home care provider or hospice provider receives a fact sheet under paragraph (c) that includes a risk level classification for the offender, the provider shall distribute the fact sheet to any individual who will provide direct services to the offender before the individual begins to provide the service.

Sec. 11. Minnesota Statutes 2020, section 244.09, subdivision 5, is amended to read:

Subd. 5. **Promulgation of Sentencing Guidelines.** The commission shall promulgate Sentencing Guidelines for the district court. The guidelines shall be based on reasonable offense and offender characteristics. The guidelines promulgated by the commission shall be advisory to the district court and shall establish:

(1) the circumstances under which imprisonment of an offender is proper; and

(2) a presumptive, fixed sentence for offenders for whom imprisonment is proper, based on each appropriate combination of reasonable offense and offender characteristics. The guidelines shall provide for an increase of 20 percent and a decrease of 15 percent in the presumptive, fixed sentence.

The Sentencing Guidelines promulgated by the commission may also establish appropriate sanctions for offenders for whom imprisonment is not proper. Any guidelines promulgated by the commission establishing sanctions for offenders for whom imprisonment is not proper shall make specific reference to noninstitutional sanctions, including but not limited to the following: payment of fines, day fines, restitution, community work orders, work release programs in local facilities, community based residential and nonresidential programs, incarceration in a local correctional facility, and probation and the conditions thereof.

Although the Sentencing Guidelines are advisory to the district court, the court shall follow the procedures of the guidelines when it pronounces sentence in a proceeding to which the guidelines apply by operation of statute. Sentencing pursuant to the Sentencing Guidelines is not a right that accrues to a person convicted of a felony; it is a procedure based on state public policy to maintain uniformity, proportionality, rationality, and predictability in sentencing.

In establishing and modifying the Sentencing Guidelines, the primary consideration of the commission shall be public safety. Promoting public safety includes the promotion of human rights. "Public safety" means reducing or preventing crime while maintaining the basic rights, freedoms, and privileges that belong to every person including the right to dignity, fairness, equality, respect, and freedom from discrimination, and is achieved by preferring the use of community services to imprisonment or other confinement unless confinement is necessary to protect the public, promoting the rehabilitation of those convicted through the provision of evidence-based programming and services, and imposing sanctions that are the least restrictive necessary to achieve accountability, address the harm for the offense, and ensure victim safety. The commission shall also consider current sentencing and release practices; correctional resources, including but not limited to the capacities of local and state correctional facilities; and the long-term negative impact of the crime on the community.

The provisions of sections 14.001 to 14.69 do not apply to the promulgation of the Sentencing Guidelines, and the Sentencing Guidelines, including severity levels and criminal history scores, are not subject to review by the legislative commission to review administrative rules. However, the commission shall adopt rules pursuant to sections 14.001 to 14.69 which establish procedures for the promulgation of the Sentencing Guidelines, including procedures for the promulgation of severity levels and criminal history scores, and these rules shall be subject to review by the Legislative Coordinating Commission.

Sec. 12. Minnesota Statutes 2020, section 299A.01, subdivision 2, is amended to read:

Subd. 2. **Duties of commissioner.** (a) The duties of the commissioner shall include the following:

(1) the coordination, development and maintenance of services contracts with existing state departments and agencies assuring the efficient and economic use of advanced business machinery including computers;

(2) the execution of contracts and agreements with existing state departments for the maintenance and servicing of vehicles and communications equipment, and the use of related buildings and grounds;

(3) the development of integrated fiscal services for all divisions, and the preparation of an integrated budget for the department;

(4) the publication and award of grant contracts with state agencies, local units of government, and other entities for programs that will benefit the safety of the public; and

(5) the establishment of a planning bureau within the department.

(b) The commissioner shall exercise these duties with the goal of promoting public safety. Promoting public safety includes the promotion of human rights. "Public safety" means reducing or preventing crime while maintaining the basic rights, freedoms, and privileges that belong to every person including the right to dignity, fairness, equality, respect, and freedom from discrimination, and is achieved by engaging in practices that include promoting community cohesion, employing meaningful problem-solving strategies, and utilizing the least restrictive sanctions or interventions necessary to reduce or repair harm, ensure victim safety, and ensure accountability for offending.

Sec. 13. **[299A.011] ACCEPTANCE OF PRIVATE FUNDS; APPROPRIATION.**

The commissioner may accept donations, grants, bequests, and other gifts of money to carry out the purposes of this chapter. Donations, nonfederal grants, bequests, or other gifts of money accepted by the commissioner must be deposited in an account in the special revenue fund and are appropriated to the commissioner for the purpose for which it was given.

Sec. 14. **[299A.477] HOMETOWN HEROES ASSISTANCE PROGRAM.**

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Firefighter" means a volunteer, paid on-call, part-time, or career firefighter serving a general population within the boundaries of the state.

(c) "Minnesota Firefighter Initiative" means a collaborative that is established by major fire service organizations in Minnesota, is a nonprofit organization, and is tax exempt under section 501(c)(3) of the Internal Revenue Code.

Subd. 2. **Program established.** The commissioner of public safety shall award a grant to the Minnesota Firefighter Initiative to administer a hometown heroes assistance program for Minnesota firefighters. The Minnesota Firefighter Initiative shall use the grant funds:

(1) to provide a onetime critical illness monetary support payment to each firefighter who is diagnosed with cancer or heart disease and who applies for the payment. Monetary support shall be provided according to the requirements in subdivision 3;

(2) to develop a psychotherapy program customized to address emotional trauma experienced by firefighters and to offer all firefighters in the state up to five psychotherapy sessions per year under the customized program, provided by mental health professionals;

(3) to offer additional psychotherapy sessions to firefighters who need them;

(4) to develop, annually update, and annually provide to all firefighters in the state at least two hours of training on cancer, heart disease, and emotional trauma as causes of illness and death for firefighters; steps and best practices for firefighters to limit the occupational risks of cancer, heart disease, and emotional trauma; provide evidence-based suicide prevention strategies; and ways for firefighters to address occupation-related emotional trauma and promote emotional wellness. The training shall be presented by firefighters who attend an additional course to prepare them to serve as trainers; and

(5) for administrative and overhead costs of the Minnesota Firefighter Initiative associated with conducting the activities in clauses (1) to (4).

Subd. 3. **Critical illness monetary support program.** (a) The Minnesota Firefighter Initiative shall establish and administer a critical illness monetary support program which shall provide a onetime support payment of up to $20,000 to each firefighter diagnosed with cancer or heart disease. A firefighter may apply for monetary support from the program, in a form specified by the Minnesota Firefighter Initiative, if the firefighter has a current diagnosis of cancer or heart disease or was diagnosed with cancer or heart disease in the year preceding the firefighter's application. A firefighter's application for monetary support must include a certification from the firefighter's health care provider of the firefighter's diagnosis with cancer or heart disease. The Minnesota Firefighter Initiative shall establish criteria to guide disbursement of monetary support payments under this program, and shall scale the amount of monetary support provided to each firefighter according to the severity of the firefighter's diagnosis.

(b) The commissioner of public safety may access the accounts of the critical illness monetary support program and may conduct periodic audits of the program to ensure that payments are being made in compliance with this section and disbursement criteria established by the Minnesota Firefighter Initiative.

Subd. 4. **Money from nonstate sources.** The commissioner may accept contributions from nonstate sources to supplement state appropriations for the hometown heroes assistance program. Contributions received under this subdivision are appropriated to the commissioner for the grant to the Minnesota Firefighter Initiative for purposes of this section.

Sec. 15. Minnesota Statutes 2020, section 299A.52, subdivision 2, is amended to read:

Subd. 2. **Expense recovery.** The commissioner shall assess the responsible person for the regional hazardous materials response team costs of response. The commissioner may bring an action for recovery of unpaid costs, reasonable attorney fees, and any additional court costs. Any funds received by the commissioner under this subdivision are appropriated to the commissioner to pay for costs for which the funds were received. Any remaining funds at the end of the biennium shall be transferred to the Fire Safety Account.

Sec. 16. Minnesota Statutes 2020, section 299A.55, is amended to read:

299A.55 RAILROAD AND PIPELINE SAFETY; OIL AND OTHER HAZARDOUS MATERIALS.

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

(b) "Applicable rail carrier" means a railroad company that is subject to an assessment under section 219.015, subdivision 2.

(c) "Hazardous substance" has the meaning given in section 115B.02, subdivision 8.

(d) "Oil" has the meaning given in section 115E.01, subdivision 8.

(e) "Pipeline company" means any individual, partnership, association, or public or private corporation who owns and operates pipeline facilities and is required to show specific preparedness under section 115E.03, subdivision 2.

Subd. 2. **Railroad and pipeline safety account.** (a) A railroad and pipeline safety account is created in the special revenue fund. The account consists of funds collected under subdivision 4 and funds donated, allotted, transferred, or otherwise provided to the account.

~~(b) $104,000 is annually appropriated from the railroad and pipeline safety account to the commissioner of the Pollution Control Agency for environmental protection activities related to railroad discharge preparedness under chapter 115E.~~

~~(c) $600,000 in fiscal year 2018 and $600,000 in fiscal year 2019 are appropriated from the railroad and pipeline safety account to the commissioner of transportation for improving safety at railroad grade crossings.~~

~~(d) Following the appropriation in paragraphs (b) and (c), the remaining money in the account is~~ (b) Funds are annually appropriated to the commissioner of public safety for the purposes specified in subdivision 3.

Subd. 3. **Allocation of funds.** (a) Subject to funding appropriated for this subdivision, the commissioner shall provide funds for training and response preparedness related to (1) derailments, discharge incidents, or spills involving trains carrying oil or other hazardous substances, and (2) pipeline discharge incidents or spills involving oil or other hazardous substances.

(b) The commissioner shall allocate available funds as follows:

~~(1) $100,000 annually for emergency response teams; and~~

~~(2) the remaining amount to the Board of Firefighter Training and Education under section 299N.02 and the Division of Homeland Security and Emergency Management.~~

(1) $225,000 for existing full-time equivalent and on-call funding at the Department of Public Safety, State Fire Marshal Division;

(2) $122,000 for program operating expenses;

(3) $128,000 transferred to the Minnesota Pollution Control Agency for program operating expenses;

(4) $125,000 for Minnesota Board of Firefighter Training and Education training programs for fire departments;

(5) $200,000 to facilitate and support trainings and exercises for State Emergency Response Teams;

(6) $200,000 to support local planning;

(7) $200,000 to replace state hazmat response team equipment;

(8) $700,000 for capital equipment and vehicle replacement; and

(9) $600,000 transferred to the Department of Transportation for statewide rail crossing improvements.

(c) Prior to making allocations under paragraph (b), the commissioner shall consult with the Fire Service Advisory Committee under section 299F.012, subdivision 2.

(d) The commissioner and the entities identified in paragraph (b), clause (2), shall prioritize uses of funds based on:

(1) firefighter training needs;

(2) community risk from discharge incidents or spills;

(3) geographic balance; and

(4) recommendations of the Fire Service Advisory Committee.

(e) The following are permissible uses of funds provided under this subdivision:

(1) training costs, which may include, but are not limited to, training curriculum, trainers, trainee overtime salary, other personnel overtime salary, and tuition;

(2) costs of gear and equipment related to hazardous materials readiness, response, and management, which may include, but are not limited to, original purchase, maintenance, and replacement;

(3) supplies related to the uses under clauses (1) and (2); and

(4) emergency preparedness planning and coordination.

(f) Notwithstanding paragraph (b), clause (2), from funds in the railroad and pipeline safety account provided for the purposes under this subdivision, the commissioner may retain a balance in the account for budgeting in subsequent fiscal years.

Subd. 4. **Assessments.** (a) The commissioner of public safety shall annually assess $2,500,000 to railroad and pipeline companies based on the formula specified in paragraph (b). The commissioner shall deposit funds collected under this subdivision in the railroad and pipeline safety account under subdivision 2.

(b) The assessment for each railroad is 50 percent of the total annual assessment amount, divided in equal proportion between applicable rail carriers based on route miles operated in Minnesota. The assessment for each pipeline company is 50 percent of the total annual assessment amount, divided in equal proportion between companies based on the yearly aggregate gallons of oil and hazardous substance transported by pipeline in Minnesota.

~~(c) The assessments under this subdivision expire July 1, 2017.~~

Sec. 17. **[299A.625] INNOVATION IN COMMUNITY SAFETY.**

Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the meanings given them.

(b) "Civilian review board" means a board, commission, or other oversight body created to provide civilian oversight of the conduct of peace officers and law enforcement agencies.

(c) "Local commission" has the meaning given in section 363A.03, subdivision 23.

(d) "Metropolitan area" has the meaning given in section 473.121, subdivision 2.

(e) "Targeted area" means one or more contiguous census tracts as reported in the most recently completed decennial census published by the United States Bureau of the Census that has a poverty rate of at least 20 percent and which experiences a disproportionately high rate of violent crime.

Subd. 2. **Innovation in community safety; coordinator; qualifications.** (a) The commissioner shall appoint a coordinator to work in the Office of Justice Programs in the Department of Public Safety to direct a targeted, community-centered response to violence. The coordinator shall serve in the unclassified service.

(b) The coordinator shall have experience:

(1) living in a targeted area;

(2) providing direct services to victims or others in communities impacted by violence;

(3) writing or reviewing grant applications;

(4) building coalitions within the African American community and other communities that have experienced systemic discrimination; and

(5) leading a nonprofit organization.

Subd. 3. **Coordinator; duties.** The coordinator shall work with community members to develop a strategy to address violence within targeted areas and promote community healing and recovery. Additionally, the coordinator shall:

(1) serve as a liaison between the office and the councils created in sections 3.922 and 15.0145;

(2) provide technical assistance or navigation services to individuals seeking to apply for grants issued by the office;

(3) identify targeted areas;

(4) organize and provide technical assistance to local grant advisory boards;

(5) assist local grant advisory boards in soliciting applications for grants;

(6) develop simplified grant application materials;

(7) identify effective forms of community-led intervention to promote public safety;

(8) encourage the use of restorative justice programs including but not limited to sentencing circles; and

(9) administer grants.

Subd. 4. **Innovation in community safety grants.** (a) Pursuant to the decisions of community grant advisory boards, the coordinator shall award grants to organizations in targeted areas for the purposes identified in this subdivision. The coordinator may prioritize targeted areas, determine which targeted areas are eligible for grants, and establish the total amount of money available for grants in each targeted area provided that an eligible targeted area must receive at least $1,000,000 for grants. In prioritizing targeted areas, the coordinator shall prioritize areas that have the highest rates of violent crime.

(b) Recipients of youth, young adult, and family antiviolence outreach program grants may work with other organizations including but not limited to law enforcement, state and local public agencies, interfaith organizations, nonprofit organizations, and African immigrant and African American community organizations and stakeholders; may focus on African immigrant and African American youth and young adults; and must:

(1) identify behaviors indicating that an individual is vulnerable to committing or being the victim of bullying or interfamily, community, or domestic abuse;

(2) identify and assess factors and influences, including but not limited to family dysfunction and cultural disengagement that make youth and young adults vulnerable to recruitment by violent organizations;

(3) develop strategies to reduce and eliminate abusive and bullying behaviors among youth and adults;

(4) develop and implement strategies to reduce and eliminate the factors and influences that make youth and young adults vulnerable to recruitment by violent organizations;

(5) develop strategies, programs, and services to educate parents and other family members to recognize and address behaviors indicating that youth are being recruited by violent organizations; and

(6) in collaboration with public entities and other community and private organizations that provide services to at-risk youth and families, develop strategies, programs, and services to reduce and eliminate bullying, abusive behavior, and the vulnerability of youth to recruitment by violent organizations, including but not limited to:

(i) expressive and receptive communications programs including music, art, theater, dance, and play designed to teach and develop appropriate skills for interfaith family communication;

(ii) development of protective skills and positive coping skills to deal with bullying, domestic abuse and interfaith family violence, and violent confrontations in the community;

(iii) culturally appropriate individual and family counseling focusing on communication and interpersonal relations with the family and, when appropriate, the African immigrant and African American community;

(iv) after-school and summer programs for youth and young adults that are structured and include components offering physical recreation, sports, mentorship, education enrichment, art, music, and social activities that are culturally appropriate;

(v) individual and family-oriented financial planning and management skill building;

(vi) culturally appropriate individual and family counseling focusing on education and employment counseling; and

(vii) information regarding, and direct links to, entities that provide employment skills training, job search and placement, and employment support activities and services.

(c) Recipients of grants to implement the Minnesota SafeStreets program must work with other organizations and persons in the community to develop community-based responses to violence that:

(1) use and adapt critical incident response methods which have been identified as best practices in the field including violence prevention, situational de-escalation, mitigation of trauma, and restorative justice;

(2) provide targeted interventions to prevent the escalation of violence after the occurrence of serious incidents, such as a shooting, murder, or other violent crime;

(3) de-escalate violence with the use of community-based interventions designed to prevent conflict from becoming violent;

(4) provide an alternative to adjudication through a restorative justice model for persons who commit lower level offenses;

(5) develop working relationships with community providers to enable young people to care for themselves and their families in healthy and empowered ways; and

(6) culminate in a collective action plan which, at a minimum, includes the following:

(i) increased educational opportunities;

(ii) meaningful workforce opportunities;

(iii) leadership-based entrepreneurial and social enterprise opportunities;

(iv) expanded mental health and chemical health services; and

(v) access to critically needed human and social services.

(d) Recipients of grants to promote community healing must provide programs and direct intervention to promote wellness and healing justice and may use funds for:

(1) programmatic and community care support for wellness and healing justice practitioners;

(2) the establishment and expansion of community organizations that provide wellness and healing justice services;

(3) placing wellness and healing justice practitioners in organizations that provide direct service to Black, Indigenous, and people of color communities in Minnesota;

(4) providing healing circles;

(5) establishing and expanding Community Coach Certification programs to train community healers and establish a long-term strategy to build the infrastructure for community healers to be available during times of tragedy; or

(6) restorative justice programs including but not limited to sentencing circles.

(e) Recipients of grants to establish or maintain co-responder teams must partner with local units of government or Tribal governments to build on existing mobile mental health crisis teams and identify gaps in order to do any of the following:

(1) develop and establish independent crisis-response teams to de-escalate volatile situations;

(2) respond to situations involving a mental health crisis;

(3) promote community-based efforts designed to enhance community safety and wellness; or

(4) support community-based strategies to interrupt, intervene in, or respond to violence.

(f) Recipients of grants to establish or maintain community-based mental health and social service centers must provide direct services to community members in targeted areas.

Subd. 5. **Appropriation; distribution.** (a) Of the amount appropriated for grants issued pursuant to subdivision 4, two-thirds shall be distributed in the metropolitan area and one-third shall be distributed outside the metropolitan area.

(b) No grant recipient shall receive more than $1,000,000 each year.

Subd. 6. **Community grant advisory boards; members.** (a) The coordinator shall work with the chair or director of a local commission, civilian review board, or similar organization to establish a community grant advisory board within a targeted area.

(b) Community grant advisory boards shall review grant applications and direct the coordinator to award grants to approved applicants.

(c) The chair or director of a local commission, civilian review board, or similar organization shall serve as the chair of a community grant advisory board.

(d) A community grant advisory board shall include the chair and at least four but not more than six other members.

(e) The membership of community grant advisory boards shall reflect the demographic makeup of the targeted area and the members, other than the chair, must reside in the targeted area over which a board has jurisdiction. A majority of the members of a board must provide direct services to victims or others in the targeted area as a part of the person's employment or regular volunteer work.

(f) Community grant advisory board members may not accept gifts, donations, or any other thing of value from applicants.

Subd. 7. **Community grant advisory board; procedure.** (a) Community grant advisory boards shall provide notice of available grants and application materials for organizations or individuals to apply for grants.

(b) Community grant advisory boards shall establish reasonable application deadlines and review grant applications. Boards may interview applicants and invite presentations.

(c) Community grant advisory boards shall determine which applicants will receive funds and the amount of those funds, and shall inform the coordinator of their decisions.

Sec. 18. **[299A.783] STATEWIDE ANTITRAFFICKING INVESTIGATION COORDINATION.**

Subdivision 1. **Antitrafficking investigation coordinator.** The commissioner of public safety must appoint a statewide antitrafficking investigation coordinator who shall work in the Office of Justice Programs. The coordinator must be a current or former law enforcement officer or prosecutor with experience investigating or prosecuting trafficking-related offenses. The coordinator must also have knowledge of services available to and Safe Harbor response for victims of sex trafficking and sexual exploitation and Minnesota's child welfare system response. The coordinator serves at the pleasure of the commissioner in the unclassified service.

Subd. 2. **Coordinator's responsibilities.** The coordinator shall have the following duties:

(1) develop, coordinate, and facilitate training for law enforcement officers, prosecutors, courts, child welfare workers, social service providers, medical providers, and other community members;

(2) establish standards for approved training and review compliance with those standards;

(3) coordinate and monitor multijurisdictional sex trafficking task forces;

(4) review, develop, promote, and monitor compliance with investigative protocols to ensure that law enforcement officers and prosecutors engage in best practices;

(5) provide technical assistance and advice related to the investigation and prosecution of trafficking offenses and the treatment of victims;

(6) promote the efficient use of resources by addressing issues of deconfliction, providing advice regarding questions of jurisdiction, and promoting the sharing of data between entities investigating and prosecuting trafficking offenses;

(7) assist in the appropriate distribution of grants;

(8) perform other duties necessary to ensure effective and efficient investigation and prosecution of trafficking-related offenses; and

(9) coordinate with other federal, state, and local agencies to ensure multidisciplinary responses to trafficking and exploitation of youth in Minnesota.

Sec. 19. **[299A.85] OFFICE FOR MISSING AND MURDERED INDIGENOUS RELATIVES.**

Subdivision 1. **Definitions.** As used in this section, the following terms have the meanings given.

(a) "Indigenous" means descended from people who were living in North America at the time people from Europe began settling in North America.

(b) "Missing and murdered Indigenous relatives" means missing and murdered Indigenous people.

(c) "Missing and Murdered Indigenous Women Task Force report" means the report titled "Missing and Murdered Indigenous Women Task Force: a Report to the Minnesota Legislature," published by the Wilder Research organization in December 2020.

Subd. 2. **Establishment.** The commissioner shall establish and maintain an office dedicated to preventing and ending the targeting of Indigenous women, children, and two-spirited people with the Minnesota Office of Justice Programs.

Subd. 3. **Executive director; staff.** (a) The commissioner must appoint an executive director who is a person closely connected to a Tribe or Indigenous community and who is highly knowledgeable about criminal investigations. The commissioner is encouraged to consider candidates for appointment who are recommended by Tribes and Indigenous communities. The executive director serves in the unclassified service.

(b) The executive director may select, appoint, and compensate out of available funds assistants and employees as necessary to discharge the office's responsibilities. The executive director may appoint an assistant executive director in the unclassified service.

(c) The executive director and full-time staff shall be members of the Minnesota State Retirement Association.

Subd. 4. **Duties.** The office has the following duties:

(1) advocate in the legislature for legislation that will facilitate the accomplishment of the mandates identified in the Missing and Murdered Indigenous Women Task Force report;

(2) advocate for state agencies to take actions to facilitate the accomplishment of the mandates identified in the Missing and Murdered Indigenous Women Task Force report;

(3) develop recommendations for legislative and agency actions to address injustice in the criminal justice system's response to the cases of missing and murdered Indigenous relatives;

(4) facilitate research to refine the mandates in the Missing and Murdered Indigenous Women Task Force report and to assess the potential efficacy, feasibility, and impact of the recommendations;

(5) develop tools and processes to evaluate the implementation and impact of the efforts of the office;

(6) facilitate technical assistance for local and Tribal law enforcement agencies during active missing and murdered Indigenous relatives cases;

(7) conduct case reviews and report on the results of case reviews for the following types of missing and murdered Indigenous relatives cases: cold cases for missing Indigenous people and death investigation review for cases of Indigenous people ruled as suicide or overdose under suspicious circumstances;

(8) conduct case reviews of the prosecution and sentencing for cases where a perpetrator committed a violent or exploitative crime against an Indigenous person. These case reviews should identify those cases where the perpetrator is a repeat offender;

(9) prepare draft legislation as necessary to allow the office access to the data required for the office to conduct the reviews required in this section and advocate for passage of that legislation;

(10) review sentencing guidelines for missing and murdered Indigenous women-related crimes, recommend changes if needed, and advocate for consistent implementation of the guidelines across Minnesota courts;

(11) develop and maintain communication with relevant divisions in the Department of Public Safety regarding any cases involving missing and murdered Indigenous relatives and on procedures for investigating cases involving missing and murdered Indigenous relatives; and

(12) coordinate, as relevant, with the Bureau of Indian Affairs' Cold Case Office through Operation Lady Justice and other federal efforts, as well as efforts in neighboring states and Canada. This recommendation pertains to state efforts. Tribes are sovereign nations that have the right to determine if and how they will coordinate with these other efforts.

Subd. 5. **Coordination with other organizations.** In fulfilling its duties the office may coordinate, as useful, with stakeholder groups that were represented on the Missing and Murdered Indigenous Women Task Force and state agencies that are responsible for the systems that play a role in investigating, prosecuting, and adjudicating cases involving violence committed against Indigenous women, those who have a role in supporting or advocating for missing or murdered Indigenous women and the people who seek justice for them, and those who represent the interests of Indigenous people. This includes the following entities: Minnesota Chiefs of Police Association; Minnesota Sheriffs' Association; Bureau of Criminal Apprehension; Minnesota Police and Peace Officers Association; Tribal law enforcement; Minnesota County Attorneys Association; United States Attorney's Office; juvenile courts; Minnesota Coroners' and Medical Examiners' Association; United States Coast Guard; state agencies, including the Departments of Health, Human Services, Education, Corrections, and Public Safety; the Minnesota Indian Affairs Council; service providers who offer legal services, advocacy, and other services to Indigenous women and girls; the Minnesota Indian Women's Sexual Assault Coalition; Mending the Sacred Hoop; Indian health organizations; Indigenous women and girls who are survivors; the 11 Tribal nations that share geography with Minnesota; and organizations and leadership from urban and statewide American Indian communities.

Subd. 6. **Reports.** The office must report on measurable outcomes achieved to meet its statutory duties, along with specific objectives and outcome measures proposed for the following year. The office must submit the report by January 15 each year to the chairs and ranking minority members of the legislative committees with primary jurisdiction over public safety.

Subd. 7. **Grants.** The office may apply for and receive grants from public and private entities for purposes of carrying out the office's duties under this section.

Subd. 8. **Access to data.** Notwithstanding section 13.384 or 13.85, the executive director has access to corrections and detention data and medical data maintained by an agency and classified as private data on individuals or confidential data on individuals when access to the data is necessary for the office to perform its duties under this section.

Sec. 20. **[299A.86] MINNESOTA HEALS.**

(a) The Minnesota Heals Initiative is established in the Department of Public Safety to provide:

(1) grants to community healing networks;

(2) resources for families after an officer-involved death; and

(3) a statewide critical incident stress management service.

(b) The commissioner of public safety shall establish and maintain a Statewide Critical Incident Stress Management Service Office for first responders. The office shall manage a mental health and wellness program for first responders including but not limited to regular trainings and education videos, self-assessment tools, and professional guidance and coaching. The office shall establish response teams across the state; provide support and technical assistance in establishing mutual aid requests; and develop and implement new trainings, services, online resources, and meetings. The office shall also maintain a referral program.

(c) The Office of Justice Programs shall administer a grant program to fund community healing networks to sustain trauma-informed responses to promote healing after critical events and natural disasters. Grants are for culturally, trauma-informed training and for coordinating a statewide response network of trainers and responders in collaboration with local or Tribal governments, or both governments in impacted areas.

(d) The Office of Justice Programs shall establish and maintain a fund to reimburse costs related to funeral and burial expenses, cultural healing ceremonies, and mental health and trauma healing services for family members impacted by officer-involved deaths.

Sec. 21. Minnesota Statutes 2020, section 299C.80, subdivision 3, is amended to read:

Subd. 3. **Additional duty.** (a) The unit shall investigate all criminal sexual conduct cases:

(1) involving peace officers, including criminal sexual conduct cases involving chief law enforcement officers; and

(2) where a member of the Minnesota National Guard is the victim, the accused is a member of the Minnesota National Guard, and the incident occurred in Minnesota.

(b) The unit shall assist the agency investigating an alleged sexual assault of a member of the Minnesota National Guard by another member of the Minnesota National Guard that occurred in a jurisdiction outside of the state, if the investigating agency requests assistance from the unit.

(c) The unit may also investigate conflict of interest cases involving peace officers.

Sec. 22. Minnesota Statutes 2020, section 340A.504, subdivision 7, is amended to read:

Subd. 7. **Sales after 1:00 a.m.; permit fee.** (a) No licensee may sell intoxicating liquor or 3.2 percent malt liquor on-sale between the hours of 1:00 a.m. and 2:00 a.m. unless the licensee has obtained a permit from the commissioner. Application for the permit must be on a form the commissioner prescribes. Permits are effective for one year from date of issuance. For retailers of intoxicating liquor, the fee for the permit is based on the licensee's gross receipts from on-sales of alcoholic beverages in the 12 months prior to the month in which the permit is issued, and is at the following rates:

(1) up to $100,000 in gross receipts, $300;

(2) over $100,000 but not over $500,000 in gross receipts, $750; and

(3) over $500,000 in gross receipts, $1,000.

For a licensed retailer of intoxicating liquor who did not sell intoxicating liquor at on-sale for a full 12 months prior to the month in which the permit is issued, the fee is $200. For a retailer of 3.2 percent malt liquor, the fee is $200.

(b) The commissioner shall deposit all permit fees received under this subdivision in the alcohol enforcement account in the ~~special revenue~~ general fund.

(c) Notwithstanding any law to the contrary, the commissioner of revenue may furnish to the commissioner the information necessary to administer and enforce this subdivision.

Sec. 23. Minnesota Statutes 2020, section 403.11, subdivision 1, is amended to read:

Subdivision 1. **Emergency telecommunications service fee; account.** (a) Each customer of a wireless or wire-line switched or packet-based telecommunications service provider connected to the public switched telephone network that furnishes service capable of originating a 911 emergency telephone call is assessed a fee based upon the number of wired or wireless telephone lines, or their equivalent, to cover the costs of ongoing maintenance and related improvements for trunking and central office switching equipment for 911 emergency telecommunications service, to offset administrative and staffing costs of the commissioner related to managing the 911 emergency telecommunications service program, to make distributions provided for in section 403.113, and to offset the costs, including administrative and staffing costs, incurred by the State Patrol Division of the Department of Public Safety in handling 911 emergency calls made from wireless phones.

(b) Money remaining in the 911 emergency telecommunications service account after all other obligations are paid must not cancel and is carried forward to subsequent years and may be appropriated from time to time to the commissioner to provide financial assistance to counties for the improvement of local emergency telecommunications services.

(c) The fee may not be ~~less than eight cents nor more than 65 cents a month until June 30, 2008, not less than eight cents nor more than 75 cents a month until June 30, 2009, not less than eight cents nor more than 85 cents a month until June 30, 2010, and not less than eight cents nor~~ more than 95 cents a month on or after July 1, 2010, for each customer access line or other basic access service, including trunk equivalents as designated by the Public Utilities Commission for access charge purposes and including wireless telecommunications services. With the approval of the commissioner of management and budget, the commissioner of public safety shall establish the amount of the fee within the limits specified and inform the companies and carriers of the amount to be collected. When the revenue bonds authorized under section 403.27, subdivision 1, have been fully paid or defeased, the commissioner shall reduce the fee to reflect that debt service on the bonds is no longer needed. The commissioner shall provide companies and carriers a minimum of 45 days' notice of each fee change. The fee must be the same for all customers, except that the fee imposed under this subdivision does not apply to prepaid wireless telecommunications service, which is instead subject to the fee imposed under section 403.161, subdivision 1, paragraph (a).

(d) The fee must be collected by each wireless or wire-line telecommunications service provider subject to the fee. Fees are payable to and must be submitted to the commissioner monthly before the 25th of each month following the month of collection, except that fees may be submitted quarterly if less than $250 a month is due, or annually if less than $25 a month is due. Receipts must be deposited in the state treasury and credited to a 911 emergency telecommunications service account in the special revenue fund. The money in the account may only be used for 911 telecommunications services.

(e) Competitive local exchanges carriers holding certificates of authority from the Public Utilities Commission are eligible to receive payment for recurring 911 services.

Sec. 24. **[604A.06] AID TO SEXUAL ASSAULT VICTIMS.**

Subdivision 1. **Person seeking assistance; immunity from prosecution.** (a) A person acting in good faith who contacts a 911 operator or first responder to report that a sexual assault victim is in need of assistance may not be charged or prosecuted for:

(1) the possession, sharing, or use of a controlled substance under section 152.025, or possession of drug paraphernalia; and

(2) if the person is under the age of 21 years, the possession, purchase, or consumption of alcoholic beverages under section 340A.503.

(b) A person qualifies for the immunities provided in this subdivision only if:

(1) the evidence for the charge or prosecution was obtained as a result of the person's seeking assistance for a sexual assault victim; and

(2) the person seeks assistance for a sexual assault victim who is in need of assistance for an immediate health or safety concern, provided that the person who seeks the assistance is the first person to seek the assistance, provides a name and contact information, and remains on the scene until assistance arrives or is provided.

(c) This subdivision applies to one or two persons acting in concert with the person initiating contact provided all the requirements of paragraphs (a) and (b) are met.

Subd. 2. **Person experiencing sexual assault; immunity from prosecution.** (a) A sexual assault victim who is in need of assistance may not be charged or prosecuted for:

(1) the possession, sharing, or use of a controlled substance under section 152.025, or possession of drug paraphernalia; and

(2) if the victim is under the age of 21 years, the possession, purchase, or consumption of alcoholic beverages under section 340A.503.

(b) A victim qualifies for the immunities provided in this subdivision only if the evidence for the charge or prosecution was obtained as a result of the request for assistance related to the sexual assault.

Subd. 3. **Persons on probation or release.** A person's pretrial release, probation, furlough, supervised release, or parole shall not be revoked based on an incident for which the person would be immune from prosecution under subdivision 1 or 2.

Subd. 4. **Effect on other criminal prosecutions.** (a) The act of providing assistance to a sexual assault victim may be used as a mitigating factor in a criminal prosecution for which immunity is not provided.

(b) Nothing in this section shall:

(1) be construed to bar the admissibility of any evidence obtained in connection with the investigation and prosecution of other crimes or violations committed by a person who otherwise qualifies for limited immunity under this section;

(2) preclude prosecution of a person on the basis of evidence obtained from an independent source;

(3) be construed to limit, modify, or remove any immunity from liability currently available to public entities, public employees by law, or prosecutors; or

(4) prevent probation officers from conducting drug or alcohol testing of persons on pretrial release, probation, furlough, supervised release, or parole.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to actions arising from incidents occurring on or after that date.

Sec. 25. Minnesota Statutes 2020, section 609.3459, is amended to read:

609.3459 LAW ENFORCEMENT; REPORTS OF SEXUAL ASSAULTS.

(a) A victim of any violation of sections 609.342 to 609.3453 may initiate a law enforcement investigation by contacting any law enforcement agency, regardless of where the crime may have occurred. The agency must prepare a summary of the allegation and provide the person with a copy of it. The agency must begin an investigation of the facts, or, if the suspected crime was committed in a different jurisdiction, refer the matter along with the summary to the law enforcement agency where the suspected crime was committed for an investigation of the facts. If the agency learns that both the victim and the accused are members of the Minnesota National Guard, the agency receiving the report must refer the matter along with the summary to the Bureau of Criminal Apprehension for investigation pursuant to section 299C.80.

(b) If a law enforcement agency refers the matter to the law enforcement agency where the crime was committed, it need not include the allegation as a crime committed in its jurisdiction for purposes of information that the agency is required to provide to the commissioner of public safety pursuant to section 299C.06, but must confirm that the other law enforcement agency has received the referral.

Sec. 26. Minnesota Statutes 2020, section 626.843, subdivision 1, is amended to read:

Subdivision 1. **Rules required.** (a) The board shall adopt rules with respect to:

(1) the certification of postsecondary schools to provide programs of professional peace officer education;

(2) minimum courses of study and equipment and facilities to be required at each certified school within the state;

(3) minimum qualifications for coordinators and instructors at certified schools offering a program of professional peace officer education located within this state;

(4) minimum standards of physical, mental, and educational fitness which shall govern the admission to professional peace officer education programs and the licensing of peace officers within the state, by any state, county, municipality, or joint or contractual combination thereof, including members of the Minnesota State Patrol;

(5) board-approved continuing education courses that ensure professional competence of peace officers and part-time peace officers;

(6) minimum standards of conduct which would affect the individual's performance of duties as a peace officer. These standards shall be established and published. The board shall review the minimum standards of conduct described in this clause for possible modification in 1998 and every three years after that time;

(7) a set of educational learning objectives that must be met within a certified school's professional peace officer education program. These learning objectives must concentrate on the knowledge, skills, and abilities deemed essential for a peace officer. Education in these learning objectives shall be deemed satisfactory for the completion of the minimum basic training requirement;

(8) the establishment and use by any political subdivision or state law enforcement agency that employs persons licensed by the board of procedures for investigation and resolution of allegations of misconduct by persons licensed by the board. The procedures shall be in writing and shall be established on or before October 1, 1984;

(9) the issues that must be considered by each political subdivision and state law enforcement agency that employs persons licensed by the board in establishing procedures under section 626.5532 to govern the conduct of peace officers who are in pursuit of a vehicle being operated in violation of section 609.487, and requirements for the training of peace officers in conducting pursuits. The adoption of specific procedures and requirements is within the authority of the political subdivision or agency;

(10) supervision of part-time peace officers and requirements for documentation of hours worked by a part-time peace officer who is on active duty. These rules shall be adopted by December 31, 1993;

(11) citizenship requirements for peace officers and part-time peace officers;

(12) driver's license requirements for peace officers and part-time peace officers; and

(13) such other matters as may be necessary consistent with sections 626.84 to 626.863. Rules promulgated by the attorney general with respect to these matters may be continued in force by resolution of the board if the board finds the rules to be consistent with sections 626.84 to 626.863.

(b) In adopting and enforcing the rules described under paragraph (a), the board shall prioritize the goal of promoting public safety. Promoting public safety includes the promotion of human rights. "Public safety" means reducing or preventing crime while maintaining the basic rights, freedoms, and privileges that belong to every person including the right to dignity, fairness, equality, respect, and freedom from discrimination, and is achieved by engaging in practices that include promoting community cohesion, employing meaningful problem-solving strategies, and utilizing the least restrictive sanctions or interventions necessary to reduce or repair harm, ensure victim safety, and ensure accountability for offending.

Sec. 27. Minnesota Statutes 2020, section 628.26, is amended to read:

628.26 LIMITATIONS.

(a) Indictments or complaints for any crime resulting in the death of the victim may be found or made at any time after the death of the person killed.

(b) Indictments or complaints for a violation of section 609.25 may be found or made at any time after the commission of the offense.

(c) Indictments or complaints for violation of section 609.282 may be found or made at any time after the commission of the offense if the victim was under the age of 18 at the time of the offense.

(d) Indictments or complaints for violation of section 609.282 where the victim was 18 years of age or older at the time of the offense, or 609.42, subdivision 1, clause (1) or (2), shall be found or made and filed in the proper court within six years after the commission of the offense.

(e) Indictments or complaints for violation of sections 609.322 and 609.342 to 609.345~~, if the victim was under the age of 18 years at the time the offense was committed, shall~~ may be found or made ~~and filed in the proper court within the later of nine years after the commission of the offense or three years after the offense was reported to law enforcement authorities~~ at any time after the commission of the offense.

~~(f) Notwithstanding the limitations in paragraph (e), indictments or complaints for violation of sections 609.322 and 609.342 to 609.344 may be found or made and filed in the proper court at any time after commission of the offense, if physical evidence is collected and preserved that is capable of being tested for its DNA characteristics. If this evidence is not collected and preserved and the victim was 18 years old or older at the time of the offense, the prosecution must be commenced within nine years after the commission of the offense.~~

~~(g)~~ (f) Indictments or complaints for violation of sections 609.466 and 609.52, subdivision 2, paragraph (a), clause (3), item (iii), shall be found or made and filed in the proper court within six years after the commission of the offense.

~~(h)~~ (g) Indictments or complaints for violation of section 609.2335, 609.52, subdivision 2, paragraph (a), clause (3), items (i) and (ii), (4), (15), or (16), 609.631, or 609.821, where the value of the property or services stolen is more than $35,000, or for violation of section 609.527 where the offense involves eight or more direct victims or the total combined loss to the direct and indirect victims is more than $35,000, shall be found or made and filed in the proper court within five years after the commission of the offense.

~~(i)~~ (h) Except for violations relating to false material statements, representations or omissions, indictments or complaints for violations of section 609.671 shall be found or made and filed in the proper court within five years after the commission of the offense.

~~(j)~~ (i) Indictments or complaints for violation of sections 609.561 to 609.563, shall be found or made and filed in the proper court within five years after the commission of the offense.

~~(k)~~ (j) In all other cases, indictments or complaints shall be found or made and filed in the proper court within three years after the commission of the offense.

~~(l)~~ (k) The limitations periods contained in this section shall exclude any period of time during which the defendant was not an inhabitant of or usually resident within this state.

~~(m)~~ (l) The limitations periods contained in this section for an offense shall not include any period during which the alleged offender participated under a written agreement in a pretrial diversion program relating to that offense.

~~(n)~~ (m) The limitations periods contained in this section shall not include any period of time during which physical evidence relating to the offense was undergoing DNA analysis, as defined in section 299C.155, unless the defendant demonstrates that the prosecuting or law enforcement agency purposefully delayed the DNA analysis process in order to gain an unfair advantage.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to violations committed on or after that date and to crimes committed before that date if the limitations period for the crime did not expire before August 1, 2021.

Sec. 28. Laws 2016, chapter 189, article 4, section 7, is amended to read:

Sec. 7. **PUBLIC SAFETY** **$-0-** **$6,100,000**

Appropriations by Fund

General	-0-	1,600,000
Trunk Highway	-0-	4,500,000

The amounts that may be spent for each purpose are specified in the following paragraphs.

(a) **DNA Laboratory**

$630,000 is for the Bureau of Criminal Apprehension DNA laboratory, including the addition of six forensic scientists. The base for this activity is $1,000,000 in each of the fiscal years 2018 and 2019 for eight forensic scientists.

(b) **Children In Need of Services or in Out-Of-Home Placement**

$150,000 is for a grant to an organization that provides legal representation to children in need of protection or services and children in out-of-home placement. The grant is contingent upon a match in an equal amount from nonstate funds. The match may be in kind, including the value of volunteer attorney time, or in cash, or in a combination of the two.

(c) **Sex Trafficking**

$820,000 is for grants to state and local units of government for the following purposes:

(1) to support new or existing multijurisdictional entities to investigate sex trafficking crimes; and

(2) to provide technical assistance for sex trafficking crimes, including ~~training and~~ case consultation, to law enforcement agencies statewide.

(d) **State Patrol**

$4,500,000 is from the trunk highway fund to recruit, hire, train, and equip a State Patrol Academy. This amount is added to the appropriation in Laws 2015, chapter 75, article 1, section 5, subdivision 3. The base appropriation from the trunk highway fund for patrolling highways in each of fiscal years 2018 and 2019 is $87,492,000, which includes $4,500,000 each year for a State Patrol Academy.

Sec. 29. Laws 2017, chapter 95, article 1, section 11, subdivision 7, is amended to read:

Subd. 7. **Office of Justice Programs**	39,580,000	40,036,000
Appropriations by Fund		
General	39,484,000	39,940,000
State Government Special Revenue	96,000	96,000

(a) **OJP Administration Costs**

Up to 2.5 percent of the grant funds appropriated in this subdivision may be used by the commissioner to administer the grant program.

(b) **Combating Terrorism Recruitment**

$250,000 each year is for grants to local law enforcement agencies to develop strategies and make efforts to combat the recruitment of Minnesota residents by terrorist organizations such as ISIS and al-Shabaab. This is a onetime appropriation.

(c) **Sex Trafficking Prevention Grants**

$180,000 each year is for grants to state and local units of government for the following purposes:

(1) to support new or existing multijurisdictional entities to investigate sex trafficking crimes; and

(2) to provide technical assistance, including ~~training and~~ case consultation, to law enforcement agencies statewide.

(d) **Pathway to Policing Reimbursement Grants**

$400,000 the second year is for reimbursement grants to local units of government that operate pathway to policing programs intended to bring persons with nontraditional backgrounds into law enforcement. Applicants for reimbursement grants may receive up to 50 percent of the cost of compensating and training pathway to policing participants. Reimbursement grants shall be proportionally allocated based on the number of grant applications approved by the commissioner.

Sec. 30. Laws 2020, Second Special Session chapter 1, section 9, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~March 1~~ September 1, 2021.

EFFECTIVE DATE. This section is effective the day following final enactment and applies retroactively from March 1, 2021.

Sec. 31. Laws 2020, Second Special Session chapter 1, section 10, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~March 1~~ September 1, 2021.

EFFECTIVE DATE. This section is effective the day following final enactment and applies retroactively from March 1, 2021.

Sec. 32. Laws 2020, Seventh Special Session chapter 2, article 2, section 4, is amended to read:

Sec. 4. **TRANSFER; ALCOHOL ENFORCEMENT ACCOUNT.**

~~(a)~~ By July 15, 2021, the commissioner of public safety must certify to the commissioner of management and budget the amount of permit fees waived under section 3, clause (2), during the period from January 1, 2021, to June 30, 2021, and the commissioner of management and budget must transfer the certified amount from the general fund to the alcohol enforcement account in the special revenue fund established under Minnesota Statutes, section 299A.706.

~~(b) By January 15, 2022, the commissioner of public safety must certify to the commissioner of management and budget the amount of permit fees waived under section 3, clause (2), during the period from July 1, 2021, to December 31, 2021, and the commissioner of management and budget must transfer the certified amount from the general fund to the alcohol enforcement account in the special revenue fund established under Minnesota Statutes, section 299A.706.~~

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

Sec. 33. **SURVIVOR SUPPORT AND PREVENTION GRANTS.**

Subdivision 1. **Meeting victim needs; grants.** The Office of Justice Programs shall award grants to organizations serving victims of crime to (1) provide direct financial assistance to victims in order to support their immediate financial needs and mitigate the impacts of crime, and (2) meet emerging or unmet needs impacting victims of crime.

Subd. 2. **Eligibility and awards.** (a) For grants to organizations to provide direct financial assistance, the director shall establish the eligibility requirements and mechanisms for distribution of funds in consultation with Violence Free Minnesota, the Minnesota Coalition Against Sexual Assault, Minnesota Alliance on Crime, the Minnesota Indian Women Sexual Assault Coalition, and Sacred Hoop Coalition. Eligibility requirements shall prioritize victim survivors based on economic need; whether the victim survivor is a member of an underserved population; whether the person was a victim of sexual assault, domestic violence, child abuse, or other violent crime; and whether the victim was a juvenile.

(b) For grants to meet emerging or unmet needs impacting victims of crime, the director shall award grants to individuals or organizations who provide direct support to victims, including but not limited to providing support for immediate and emerging needs for victims of crime or for domestic abuse transformative justice programs. The director shall prioritize applicants seeking to establish, maintain, or expand services to underserved populations.

(c) Of the amount appropriated for survivor support and prevention grants, at least 30 percent must be awarded to organizations to provide direct financial assistance pursuant to paragraph (a) and at least 30 percent must be awarded to individuals or organizations providing support to victims pursuant to paragraph (b).

Subd. 3. **Report.** (a) By January 15 of each odd-numbered year the director shall submit a report to the legislative committees with jurisdiction over public safety on the survivor support and prevention grants. At a minimum, the report shall include the following:

(1) the number of grants awarded to organizations to provide direct financial assistance to victims and the total amount awarded to each organization;

(2) the average amount of direct financial assistance provided to individual victims by each organization;

(3) summary demographic information of recipients of direct financial assistance, including the age, sex, and race of the recipients;

(4) summary information identifying the crimes committed against the recipients of direct financial assistance;

(5) summary information identifying the counties in which recipients of direct financial assistance resided at the time they received the assistance;

(6) the total number of grants issued to individuals or organizations providing support for crime victims;

(7) the amount of grants issued to individuals or organizations providing support for crime victims; and

(8) the services provided by the grant recipients that provided support for crime victims.

(b) If the director enters into an agreement with any other organization for the distribution of funds, the director shall require that organization to provide the information identified in paragraph (a).

Sec. 34. **TASK FORCE ON MISSING AND MURDERED AFRICAN AMERICAN WOMEN.**

Subdivision 1. **Creation and duties.** (a) The Task Force on Missing and Murdered African American Women is established to advise the commissioner of public safety and report to the legislature on recommendations to reduce and end violence against African American women and girls in Minnesota. The task force may also serve as a liaison between the commissioner and agencies and nonprofit, nongovernmental organizations that provide legal, social, or other community services to victims, victims' families, and victims' communities.

(b) The Task Force on Missing and Murdered African American Women must examine and report on the following:

(1) the systemic causes behind violence that African American women and girls experience, including patterns and underlying factors that explain why disproportionately high levels of violence occur against African American women and girls, including underlying historical, social, economic, institutional, and cultural factors which may contribute to the violence;

(2) appropriate methods for tracking and collecting data on violence against African American women and girls, including data on missing and murdered African American women and girls;

(3) policies and institutions such as policing, child welfare, coroner practices, and other governmental practices that impact violence against African American women and girls and the investigation and prosecution of crimes of gender violence against African American people;

(4) measures necessary to address and reduce violence against African American women and girls; and

(5) measures to help victims, victims' families, and victims' communities prevent and heal from violence that occurs against African American women and girls.

(c) At its discretion, the task force may examine other related issues consistent with this section as necessary.

Subd. 2. **Membership.** (a) To the extent practicable, the Task Force on Missing and Murdered African American Women shall consist of the following individuals, or their designees, who are knowledgeable in crime victims' rights or violence protection and, unless otherwise specified, members shall be appointed by the commissioner of public safety:

(1) two members of the senate, one appointed by the majority leader and one appointed by the minority leader;

(2) two members of the house of representatives, one appointed by the speaker of the house and one appointed by the minority leader;

(3) two representatives from among the following:

(i) the Minnesota Chiefs of Police Association;

(ii) the Minnesota Sheriffs' Association;

(iii) the Bureau of Criminal Apprehension; or

(iv) the Minnesota Police and Peace Officers Association;

(4) one or more representatives from among the following:

(i) the Minnesota County Attorneys Association;

(ii) the United States Attorney's Office; or

(iii) a judge or attorney working in juvenile court;

(5) a county coroner or a representative from a statewide coroner's association or a representative of the Department of Health; and

(6) three or more representatives from among the following:

(i) a statewide or local organization that provides legal services to African American women and girls;

(ii) a statewide or local organization that provides advocacy or counseling for African American women and girls who have been victims of violence;

(iii) a statewide or local organization that provides services to African American women and girls; or

(iv) an African American woman who is a survivor of gender violence.

(b) In making appointments under paragraph (a), the commissioner of public safety shall consult with the Council for Minnesotans of African Heritage.

(c) Appointments to the task force must be made by September 1, 2021.

(d) Members are eligible for compensation and expense reimbursement consistent with Minnesota Statutes, section 15.059, subdivision 3.

(e) Members of the task force serve at the pleasure of the appointing authority or until the task force expires. Vacancies in commissioner-appointed positions shall be filled by the commissioner consistent with the qualifications of the vacating member required by this subdivision.

Subd. 3. **Officers; meetings.** (a) The task force shall elect a chair and vice-chair and may elect other officers as necessary.

(b) The commissioner of public safety shall convene the first meeting of the task force no later than October 1, 2021, and shall provide meeting space and administrative assistance as necessary for the task force to conduct its work.

(c) The task force shall meet at least quarterly, or upon the call of its chair, and may hold meetings throughout the state. The task force shall meet sufficiently enough to accomplish the tasks identified in this section. Meetings of the task force are subject to Minnesota Statutes, chapter 13D.

(d) To accomplish its duties, the task force shall seek out and enlist the cooperation and assistance of nonprofit, nongovernmental organizations that provide legal, social, or other community services to victims, victims' families, and victims' communities; community and advocacy organizations working with the African American community; and academic researchers and experts, specifically those specializing in violence against African American women and girls, those representing diverse communities disproportionately affected by violence against women and girls, or those focusing on issues related to gender violence and violence against African American women and girls. Meetings of the task force may include reports from, or information provided by, those individuals or groups.

Subd. 4. **Report.** On or before December 15, 2022, the task force shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety, human services, and state government on the work of the task force. The report must contain the task force's findings and recommendations and shall include institutional policies and practices, or proposed institutional policies and practices, that are effective in reducing gender violence and increasing the safety of African American women and girls; recommendations for appropriate tracking and collecting of data on violence against African American women and girls; and recommendations for legislative action to reduce and end violence against African American women and girls and help victims and communities heal from gender violence and violence against African American women and girls.

Subd. 5. **Expiration.** The task force expires upon submission of the report required under subdivision 4.

Sec. 35. **STUDY ON LIABILITY INSURANCE FOR PEACE OFFICERS.**

(a) The commissioner of public safety shall issue a grant to an organization with experience in studying issues related to community safety and criminal justice for a study on the effects of requiring peace officers to carry liability insurance to pay for any valid claim based upon an act or omission of a licensed peace officer during paid on-duty time or paid off-duty work approved by the employing agency.

(b) At a minimum, the study shall analyze:

(1) the availability of liability insurance for peace officers;

(2) the cost of premiums for liability insurance to cover individual peace officers;

(3) the terms of relevant policies of liability insurance, including the amount of any deductible and applicable exclusions;

(4) what activities, if any, should be covered by liability insurance, including whether the negligent operation of a motor vehicle should be subject to a liability insurance requirement;

(5) whether the employer of the peace officer, the insurance company, or both would have a duty to defend the officer;

(6) whether limits should be placed on the subrogation rights of an employer, insurer, or both;

(7) whether limits should be placed on the subrogation rights of an insurer for claims involving joint and several liability with a peace officer insured by a separate insurer;

(8) whether statutory direction is necessary to establish priorities of coverage if multiple policies apply;

(9) what impact, if any, the existence of a requirement that peace officers carry liability insurance would be expected to have on claims against peace officers;

(10) the cost to employers, if any, if there was a requirement that peace officers carry liability insurance; and

(11) the expected impact on public safety, if any, if there was a requirement that peace officers carry liability insurance.

(c) By January 15, 2023, the grant recipient shall provide a report to the commissioner of public safety. By February 1, 2023, the commissioner shall forward the report to the chairs and ranking members of the legislative committees with primary jurisdiction over public safety.

(d) As used in this section, "peace officer" has the meaning given in Minnesota Statutes, section 626.84, subdivision 1, paragraph (c).

ARTICLE 16
CHILD PROTECTION BACKGROUND CHECKS

Section 1. Minnesota Statutes 2020, section 299C.60, is amended to read:

299C.60 CITATION.

Sections 299C.60 to 299C.64 may be cited as the "Minnesota Child, Elder, and Individuals with Disabilities Protection Background Check Act."

Sec. 2. Minnesota Statutes 2020, section 299C.61, is amended by adding a subdivision to read:

Subd. 1a. **Authorized agency.** "Authorized agency" means the licensing agency or, if one does not exist, the Bureau of Criminal Apprehension. Licensing agencies include but are not limited to the:

(1) Department of Human Services;

(2) Department of Health; and

(3) Professional Educator Licensing and Standards Board.

Sec. 3. Minnesota Statutes 2020, section 299C.61, subdivision 2, is amended to read:

Subd. 2. **Background check crime.** "Background check crime" includes child abuse crimes, murder, manslaughter, felony level assault or any assault crime committed against a minor or vulnerable adult, kidnapping, arson, criminal sexual conduct, and prostitution-related crimes.

Sec. 4. Minnesota Statutes 2020, section 299C.61, is amended by adding a subdivision to read:

Subd. 2a. **Care.** "Care" means the provision of care, treatment, education, training, instruction, supervision, or recreation to children, the elderly, or individuals with disabilities.

Sec. 5. Minnesota Statutes 2020, section 299C.61, subdivision 4, is amended to read:

Subd. 4. **Child abuse crime.** "Child abuse crime" means:

(1) an act committed against a minor victim that constitutes a violation of section 609.185, paragraph (a), clause (5); 609.221; 609.222; 609.223; 609.224; 609.2242; 609.322; 609.324; 609.342; 609.343; 609.344; 609.345; 609.352; 609.377; ~~or~~ 609.378; or 617.247; or

(2) a violation of section 152.021, subdivision 1, clause (4); 152.022, subdivision 1, clause (5) or (6); 152.023, subdivision 1, clause (3) or (4); 152.023, subdivision 2, clause (4) or (6); or 152.024, subdivision 1, clause (2), (3), or (4).

Sec. 6. Minnesota Statutes 2020, section 299C.61, is amended by adding a subdivision to read:

Subd. 8b. **Covered individual.** "Covered individual" means an individual:

(1) who has, seeks to have, or may have access to children, the elderly, or individuals with disabilities, served by a qualified entity; and

(2) who:

(i) is employed by or volunteers with, or seeks to be employed by or volunteer with, a qualified entity; or

(ii) owns or operates, or seeks to own or operate, a qualified entity.

Sec. 7. Minnesota Statutes 2020, section 299C.61, is amended by adding a subdivision to read:

Subd. 8c. **Individuals with disabilities.** "Individuals with disabilities" means persons with a mental or physical impairment who require assistance to perform one or more daily living tasks.

Sec. 8. Minnesota Statutes 2020, section 299C.61, is amended by adding a subdivision to read:

Subd. 8d. **National criminal history background check system.** "National criminal history background check system" means the criminal history record system maintained by the Federal Bureau of Investigation based on fingerprint identification or any other method of positive identification.

Sec. 9. Minnesota Statutes 2020, section 299C.61, is amended by adding a subdivision to read:

Subd. 8e. **Qualified entity.** "Qualified entity" means a business or organization, whether public, private, for-profit, not-for-profit, or voluntary, that provides care or care placement services, including a business or organization that licenses or certifies others to provide care or care placement services.

Sec. 10. Minnesota Statutes 2020, section 299C.62, subdivision 1, is amended to read:

Subdivision 1. **Generally.** The superintendent shall develop procedures in accordance with United States Code, title 34, section 40102, to enable a ~~children's service provider~~ qualified entity to request a background check to determine whether a ~~children's service worker~~ covered worker is the subject of any reported conviction for a background check crime. ~~The superintendent shall perform the background check by retrieving and reviewing data on background check crimes.~~ The superintendent is authorized to exchange fingerprints with the Federal Bureau of Investigation for purposes of ~~a criminal history~~ the background check. The superintendent shall recover the cost of a background check through a fee charged ~~the children's service provider~~ to the qualified entity and make reasonable efforts to respond to the inquiry within 15 business days.

Sec. 11. Minnesota Statutes 2020, section 299C.62, subdivision 2, is amended to read:

Subd. 2. **Background check; requirements.** ~~(a) The superintendent may not perform a background check under this section unless the children's service provider submits a written document, signed by the children's service worker on whom the background check is to be performed, containing the following:~~

~~(1) a question asking whether the children's service worker has ever been convicted of a background check crime and if so, requiring a description of the crime and the particulars of the conviction;~~

~~(2) a notification to the children's service worker that the children's service provider will request the superintendent to perform a background check under this section; and~~

~~(3) a notification to the children's service worker of the children's service worker's rights under subdivision 3.~~

~~(b) Background checks performed under this section may only be requested by and provided to authorized representatives of a children's service provider who have a need to know the information and may be used only for the purposes of sections 299C.60 to 299C.64. Background checks may be performed pursuant to this section not later than one year after the document is submitted under this section.~~

The superintendent may not perform a background check of a covered individual under this section unless the covered individual:

(1) completes and signs a statement that:

(i) contains the name, address, and date of birth appearing on a valid identification document, as defined in United States Code, title 18, section 1028, of the covered individual;

(ii) the covered individual has not been convicted of a crime and, if the covered individual has been convicted of a crime, contains a description of the crime and the particulars of the conviction;

(iii) notifies the covered individual that the entity may request a background check under subdivision 1;

(iv) notifies the covered individual of the covered individual's rights under subdivision 3; and

(v) notifies the covered individual that prior to the completion of the background check the qualified entity may choose to deny the covered individual access to a person to whom the qualified entity provides care; and

(2) if requesting a national criminal history background check, provides a set of fingerprints.

Sec. 12. Minnesota Statutes 2020, section 299C.62, subdivision 3, is amended to read:

Subd. 3. **~~Children's service worker~~ Covered individuals rights.** ~~(a) The children's service provider shall notify the children's service worker of the children's service worker's rights under paragraph (b).~~

~~(b) A children's service worker who is the subject of a background check request has the following rights:~~

~~(1) the right to be informed that a children's service provider will request a background check on the children's service worker:~~

~~(i) for purposes of the children's service worker's application to be employed by, volunteer with, be an independent contractor for, or be an owner of a children's service provider or for purposes of continuing as an employee, volunteer, independent contractor, or owner; and~~

~~(ii) to determine whether the children's service worker has been convicted of any crime specified in section 299C.61, subdivision 2 or 4;~~

~~(2) the right to be informed by the children's service provider of the superintendent's response to the background check and to obtain from the children's service provider a copy of the background check report;~~

~~(3) the right to obtain from the superintendent any record that forms the basis for the report;~~

~~(4) the right to challenge the accuracy and completeness of any information contained in the report or record pursuant to section 13.04, subdivision 4;~~

~~(5) the right to be informed by the children's service provider if the children's service worker's application to be employed with, volunteer with, be an independent contractor for, or be an owner of a children's service provider, or to continue as an employee, volunteer, independent contractor, or owner, has been denied because of the superintendent's response; and~~

~~(6) the right not to be required directly or indirectly to pay the cost of the background check.~~

The qualified entity shall notify the covered individual who is subjected to a background check under subdivision 1 that the individual has the right to:

(1) obtain a copy of any background check report;

(2) challenge the accuracy or completeness of the information contained in the background report or record pursuant to section 13.04, subdivision 4, or applicable federal authority; and

(3) be given notice of the opportunity to appeal and instructions on how to complete the appeals process.

Sec. 13. Minnesota Statutes 2020, section 299C.62, subdivision 4, is amended to read:

Subd. 4. **Response of bureau.** The superintendent shall respond to a background check request within a reasonable time after receiving a request from a qualified entity or the signed, written document described in subdivision 2. The superintendent shall provide the ~~children's service provider~~ qualified entity with a copy of the ~~applicant's~~ covered individual's criminal record or a statement that the ~~applicant~~ covered individual is not the subject of a criminal history record at the bureau. It is the responsibility of the ~~service provider~~ qualified entity to determine if the ~~applicant~~ covered individual qualifies as an employee, volunteer, or independent contractor under this section.

Sec. 14. Minnesota Statutes 2020, section 299C.62, subdivision 6, is amended to read:

Subd. 6. **Admissibility of evidence.** Evidence or proof that a background check of a volunteer was not requested under sections 299C.60 to 299C.64 by a ~~children's service provider~~ qualified entity is not admissible in evidence in any litigation against a nonprofit or charitable organization.

Sec. 15. Minnesota Statutes 2020, section 299C.63, is amended to read:

299C.63 EXCEPTION; OTHER LAWS.

The superintendent is not required to respond to a background check request concerning a ~~children's service worker~~ covered individual who, as a condition of occupational licensure or employment, is subject to the background study requirements imposed by any statute or rule other than sections 299C.60 to 299C.64. ~~A background check performed on a licensee, license applicant, or employment applicant under this section does not satisfy the requirements of any statute or rule other than sections 299C.60 to 299C.64, that provides for background study of members of an individual's particular occupation.~~

Sec. 16. Minnesota Statutes 2020, section 299C.72, is amended to read:

299C.72 MINNESOTA CRIMINAL HISTORY CHECKS.

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

(a) "Applicant for employment" means an individual who seeks either county or city employment or has applied to serve as a volunteer in the county or city.

(b) "Applicant for licensure" means the individual seeks a license issued by the county or city which is not subject to a federal- or state-mandated background check.

(c) "Authorized law enforcement agency" means the county sheriff for checks conducted for county purposes, the police department for checks conducted for city purposes, or the county sheriff for checks conducted for city purposes where there is no police department.

(d) "Criminal history check" means retrieval of criminal history data via the secure network described in section 299C.46.

(e) "Criminal history data" means adult convictions and adult open arrests less than one year old found in the Minnesota computerized criminal history repository.

(f) "Current employee" means an individual presently employed by either a county or city or who presently serves as a volunteer in the county or city.

(g) "Current licensee" means an individual who has previously sought and received a license, which is still presently valid, issued by a county or city.

~~(f)~~ (h) "Informed consent" has the meaning given in section 13.05, subdivision 4, paragraph (d).

Subd. 2. **Criminal history check authorized.** (a) The criminal history check authorized by this section shall not be used in place of a statutorily mandated or authorized background check.

(b) An authorized law enforcement agency may conduct a criminal history check of an individual who is an applicant for employment ~~or~~, current employee, applicant for licensure, or current licensee. Prior to conducting the criminal history check, the authorized law enforcement agency must receive the informed consent of the individual.

(c) The authorized law enforcement agency shall not disseminate criminal history data and must maintain it securely with the agency's office. The authorized law enforcement agency can indicate whether the applicant for employment or applicant for licensure has a criminal history that would prevent hire, acceptance as a volunteer to a hiring authority, or would prevent the issuance of a license to the department that issues the license.

ARTICLE 17
CRIME VICTIM REIMBURSEMENTS

Section 1. Minnesota Statutes 2020, section 611A.51, is amended to read:

611A.51 TITLE.

Sections 611A.51 to 611A.68 shall be known as the "Minnesota Crime Victims ~~Reparations~~ Reimbursement Act."

Sec. 2. Minnesota Statutes 2020, section 611A.52, subdivision 3, is amended to read:

Subd. 3. **Board.** "Board" means the Crime Victims ~~reparations~~ Reimbursement Board established by section 611A.55.

Sec. 3. Minnesota Statutes 2020, section 611A.52, subdivision 4, is amended to read:

Subd. 4. **Claimant.** "Claimant" means a person entitled to apply for ~~reparations~~ reimbursement pursuant to sections 611A.51 to 611A.68.

Sec. 4. Minnesota Statutes 2020, section 611A.52, subdivision 5, is amended to read:

Subd. 5. **Collateral source.** "Collateral source" means a source of benefits or advantages for economic loss otherwise ~~reparable~~ reimbursable under sections 611A.51 to 611A.68 which the victim or claimant has received, or which is readily available to the victim, from:

(1) the offender;

(2) the government of the United States or any agency thereof, a state or any of its political subdivisions, or an instrumentality of two or more states, unless the law providing for the benefits or advantages makes them excess or secondary to benefits under sections 611A.51 to 611A.68;

(3) Social Security, Medicare, and Medicaid;

(4) state required temporary nonoccupational disability insurance;

(5) workers' compensation;

(6) wage continuation programs of any employer;

(7) proceeds of a contract of insurance payable to the victim for economic loss sustained because of the crime;

(8) a contract providing prepaid hospital and other health care services, or benefits for disability;

(9) any private source as a voluntary donation or gift; or

(10) proceeds of a lawsuit brought as a result of the crime.

The term does not include a life insurance contract.

Sec. 5. Minnesota Statutes 2020, section 611A.53, is amended to read:

611A.53 ~~REPARATIONS~~ REIMBURSEMENT AWARDS PROHIBITED.

Subdivision 1. **Generally.** Except as provided in subdivisions 1a and 2, the following persons shall be entitled to ~~reparations~~ reimbursement upon a showing by a preponderance of the evidence that the requirements for ~~reparations~~ reimbursement have been met:

(1) a victim who has incurred economic loss;

(2) a dependent who has incurred economic loss;

(3) the estate of a deceased victim if the estate has incurred economic loss;

(4) any other person who has incurred economic loss by purchasing any of the products, services, and accommodations described in section 611A.52, subdivision 8, for a victim;

(5) the guardian, guardian ad litem, conservator or authorized agent of any of these persons.

Subd. 1a. **Providers; limitations.** No hospital, medical organization, health care provider, or other entity that is not an individual may qualify for reparations under subdivision 1, clause (4). If a hospital, medical organization, health care provider, or other entity that is not an individual qualifies for ~~reparations~~ reimbursement under subdivision 1, clause (5), because it is a guardian, guardian ad litem, conservator, or authorized agent, any ~~reparations~~ reimbursement to which it is entitled must be made payable solely or jointly to the victim, if alive, or to the victim's estate or successors, if the victim is deceased.

Subd. 1b. **Minnesota residents injured elsewhere.** (a) A Minnesota resident who is the victim of a crime committed outside the geographical boundaries of this state but who otherwise meets the requirements of this section shall have the same rights under this chapter as if the crime had occurred within this state upon a showing that the state, territory, United States possession, country, or political subdivision of a country in which the crime occurred does not have a crime victim ~~reparations~~ reimbursement law covering the resident's injury or death.

(b) Notwithstanding paragraph (a), a Minnesota resident who is the victim of a crime involving international terrorism who otherwise meets the requirements of this section has the same rights under this chapter as if the crime had occurred within this state regardless of where the crime occurred or whether the jurisdiction has a crime victims ~~reparations~~ reimbursement law.

Subd. 2. **Limitations on awards.** No ~~reparations~~ reimbursement shall be awarded to a claimant otherwise eligible if:

(1) the crime was not reported to the police within 30 days of its occurrence or, if it could not reasonably have been reported within that period, within 30 days of the time when a report could reasonably have been made. A victim of criminal sexual conduct in the first, second, third, or fourth degree who does not report the crime within 30 days of its occurrence is deemed to have been unable to have reported it within that period;

(2) the victim or claimant failed or refused to cooperate fully with the police and other law enforcement officials, based on a review of information available from law enforcement, prosecutors, and other professionals familiar with the case;

(3) the victim or claimant was the offender or an accomplice of the offender or an award to the claimant would unjustly benefit the offender or an accomplice;

(4) the victim or claimant was in the act of committing a crime at the time the injury occurred;

(5) no claim was filed with the board within three years of victim's injury or death; except that (i) if the claimant was unable to file a claim within that period, then the claim can be made within three years of the time when a claim could have been filed; and (ii) if the victim's injury or death was not reasonably discoverable within three years of the injury or death, then the claim can be made within three years of the time when the injury or death is reasonably discoverable. The following circumstances do not render a claimant unable to file a claim for the purposes of this clause: (A) lack of knowledge of the existence of the Minnesota Crime Victims ~~Reparations~~ Reimbursement Act, (B) the failure of a law enforcement agency to provide information or assistance to a potential claimant under section 611A.66, (C) the incompetency of the claimant if the claimant's affairs were being managed during that period by a guardian, guardian ad litem, conservator, authorized agent, or parent, or (D) the fact that the claimant is not of the age of majority; or

(6) the claim is less than $50.

The limitations contained in clauses (1) and (6) do not apply to victims of child abuse. In those cases the three-year limitation period commences running with the report of the crime to the police.

Sec. 6. Minnesota Statutes 2020, section 611A.54, is amended to read:

611A.54 AMOUNT OF ~~REPARATIONS~~ REIMBURSEMENT.

~~Reparations~~ Reimbursement shall equal economic loss except that:

(1) ~~reparations~~ reimbursement shall be reduced to the extent that economic loss is recouped from a collateral source or collateral sources. Where compensation is readily available to a claimant from a collateral source, the claimant must take reasonable steps to recoup from the collateral source before claiming ~~reparations~~ reimbursement;

(2) ~~reparations~~ reimbursement shall be denied or reduced to the extent, if any, that the board deems reasonable because of the contributory misconduct of the claimant or of a victim through whom the claimant claims. Contributory misconduct may not be based on current or past affiliation with any particular group; and

(3) ~~reparations~~ reimbursement paid to all claimants suffering economic loss as the result of the injury or death of any one victim shall not exceed $50,000.

No employer may deny an employee an award of benefits based on the employee's eligibility or potential eligibility for ~~reparations~~ reimbursement.

Sec. 7. Minnesota Statutes 2020, section 611A.55, is amended to read:

611A.55 CRIME VICTIMS ~~REPARATIONS~~ REIMBURSEMENT BOARD.

Subdivision 1. **Creation of board.** There is created in the Department of Public Safety, for budgetary and administrative purposes, the Crime Victims ~~Reparations~~ Reimbursement Board, which shall consist of five members appointed by the commissioner of public safety. One of the members shall be designated as chair by the commissioner of public safety and serve as such at the commissioner's pleasure. At least one member shall be a medical or osteopathic physician licensed to practice in this state, and at least one member shall be a victim, as defined in section 611A.01.

Subd. 2. **Membership, terms and compensation.** The membership terms, compensation, removal of members, and filling of vacancies on the board shall be as provided in section 15.0575.

Subd. 3. **Part-time service.** Members of the board shall serve part time.

Sec. 8. Minnesota Statutes 2020, section 611A.56, is amended to read:

611A.56 POWERS AND DUTIES OF BOARD.

Subdivision 1. **Duties.** In addition to carrying out any duties specified elsewhere in sections 611A.51 to 611A.68 or in other law, the board shall:

(1) provide all claimants with an opportunity for hearing pursuant to chapter 14;

(2) adopt rules to implement and administer sections 611A.51 to 611A.68, including rules governing the method of practice and procedure before the board, prescribing the manner in which applications for ~~reparations~~ reimbursement shall be made, and providing for discovery proceedings;

(3) publicize widely the availability of ~~reparations~~ reimbursement and the method of making claims; and

(4) prepare and transmit annually to the governor and the commissioner of public safety a report of its activities including the number of claims awarded, a brief description of the facts in each case, the amount of ~~reparation~~ reimbursement awarded, and a statistical summary of claims and awards made and denied.

Subd. 2. **Powers.** In addition to exercising any powers specified elsewhere in sections 611A.51 to 611A.68 or other law, the board upon its own motion or the motion of a claimant or the attorney general may:

(1) issue subpoenas for the appearance of witnesses and the production of books, records, and other documents;

(2) administer oaths and affirmations and cause to be taken affidavits and depositions within and without this state;

(3) take notice of judicially cognizable facts and general, technical, and scientific facts within their specialized knowledge;

(4) order a mental or physical examination of a victim or an autopsy of a deceased victim provided that notice is given to the person to be examined and that the claimant and the attorney general receive copies of any resulting report;

(5) suspend or postpone the proceedings on a claim if a criminal prosecution arising out of the incident which is the basis of the claim has been commenced or is imminent;

(6) request from prosecuting attorneys and law enforcement officers investigations and data to enable the board to perform its duties under sections 611A.51 to 611A.68;

(7) grant emergency ~~reparations~~ reimbursement pending the final determination of a claim if it is one with respect to which an award will probably be made and undue hardship will result to the claimant if immediate payment is not made; and

(8) reconsider any decision granting or denying ~~reparations~~ reimbursement or determining their amount.

Sec. 9. Minnesota Statutes 2020, section 611A.57, subdivision 5, is amended to read:

Subd. 5. **Reconsideration.** The claimant may, within 30 days after receiving the decision of the board, apply for reconsideration before the entire board. Upon request for reconsideration, the board shall reexamine all information filed by the claimant, including any new information the claimant provides, and all information obtained by investigation. The board may also conduct additional examination into the validity of the claim. Upon reconsideration, the board may affirm, modify, or reverse the prior ruling. A claimant denied ~~reparations~~ reimbursement upon reconsideration is entitled to a contested case hearing within the meaning of chapter 14.

Sec. 10. Minnesota Statutes 2020, section 611A.57, subdivision 6, is amended to read:

Subd. 6. **Data.** Claims for ~~reparations~~ reimbursement and supporting documents and reports are investigative data and subject to the provisions of section 13.39 until the claim is paid, denied, withdrawn, or abandoned. Following the payment, denial, withdrawal, or abandonment of a claim, the claim and supporting documents and reports are private data on individuals as defined in section 13.02, subdivision 12; provided that the board may forward any ~~reparations~~ reimbursement claim forms, supporting documents, and reports to local law enforcement authorities for purposes of implementing section 611A.67.

Sec. 11. Minnesota Statutes 2020, section 611A.60, is amended to read:

611A.60 ~~REPARATIONS~~ REIMBURSEMENT; HOW PAID.

~~Reparations~~ Reimbursement may be awarded in a lump sum or in installments in the discretion of the board. The amount of any emergency award shall be deducted from the final award, if a lump sum, or prorated over a period of time if the final award is made in installments. ~~Reparations are~~ Reimbursement is exempt from execution or attachment except by persons who have supplied services, products or accommodations to the victim as a result of the injury or death which is the basis of the claim. The board, in its discretion may order that all or part of the ~~reparations~~ reimbursement awarded be paid directly to these suppliers.

Sec. 12. Minnesota Statutes 2020, section 611A.61, is amended to read:

611A.61 SUBROGATION.

Subdivision 1. **Subrogation rights of state.** The state shall be subrogated, to the extent of ~~reparations~~ reimbursement awarded, to all the claimant's rights to recover benefits or advantages for economic loss from a source which is or, if readily available to the victim or claimant would be, a collateral source. Nothing in this section shall limit the claimant's right to bring a cause of action to recover for other damages.

Subd. 2. **Duty of claimant to assist.** A claimant who receives ~~reparations~~ reimbursement must agree to assist the state in pursuing any subrogation rights arising out of the claim. The board may require a claimant to agree to represent the state's subrogation interests if the claimant brings a cause of action for damages arising out of the crime or occurrence for which the board has awarded ~~reparations~~ reimbursement. An attorney who represents the state's subrogation interests pursuant to the client's agreement with the board is entitled to reasonable attorney's fees not to exceed one-third of the amount recovered on behalf of the state.

Sec. 13. Minnesota Statutes 2020, section 611A.612, is amended to read:

611A.612 CRIME VICTIMS ACCOUNT.

A crime victim account is established as a special account in the state treasury. Amounts collected by the state under section 611A.61, paid to the Crime Victims ~~Reparations~~ Reimbursement Board under section 611A.04, subdivision 1a, or amounts deposited by the court under section 611A.04, subdivision 5, shall be credited to this account. Money credited to this account is annually appropriated to the Department of Public Safety for use for crime victim ~~reparations~~ reimbursement under sections 611A.51 to 611A.67.

Sec. 14. Minnesota Statutes 2020, section 611A.66, is amended to read:

611A.66 LAW ENFORCEMENT AGENCIES; DUTY TO INFORM VICTIMS OF RIGHT TO FILE CLAIM.

All law enforcement agencies investigating crimes shall provide victims with notice of their right to apply for ~~reparations~~ reimbursement with the telephone number ~~to call to request~~ and website information to obtain an application form.

Law enforcement agencies shall assist the board in performing its duties under sections 611A.51 to 611A.68. Law enforcement agencies within ten days after receiving a request from the board shall supply the board with requested reports, notwithstanding any provisions to the contrary in chapter 13, and including reports otherwise maintained as confidential or not open to inspection under section 260B.171 or 260C.171. All data released to the board retains the data classification that it had in the possession of the law enforcement agency.

Sec. 15. Minnesota Statutes 2020, section 611A.68, subdivision 2a, is amended to read:

Subd. 2a. **Notice and payment of proceeds to board required.** A person that enters into a contract with an offender convicted in this state, and a person that enters into a contract in this state with an offender convicted in this state or elsewhere within the United States, must comply with this section if the person enters into the contract during the ten years after the offender is convicted of a crime or found not guilty by reason of insanity. If an offender is imprisoned or committed to an institution following the conviction or finding of not guilty by reason of insanity, the ten-year period begins on the date of the offender's release. A person subject to this section must notify the Crime Victims ~~Reparations~~ Reimbursement Board of the existence of the contract immediately upon its formation, and pay over to the board money owed to the offender or the offender's representatives by virtue of the contract according to the following proportions:

(1) if the crime occurred in this state, the person shall pay to the board 100 percent of the money owed under the contract;

(2) if the crime occurred in another jurisdiction having a law applicable to the contract which is substantially similar to this section, this section does not apply, and the person must not pay to the board any of the money owed under the contract; and

(3) in all other cases, the person shall pay to the board that percentage of money owed under the contract which can fairly be attributed to commerce in this state with respect to the subject matter of the contract.

Sec. 16. Minnesota Statutes 2020, section 611A.68, subdivision 4, is amended to read:

Subd. 4. **Deductions.** When the board has made ~~reparations~~ reimbursement payments to or on behalf of a victim of the offender's crime pursuant to sections 611A.51 to 611A.68, it shall deduct the amount of the ~~reparations~~ reimbursement award from any payment received under this section by virtue of the offender's contract unless the board has already been reimbursed for the ~~reparations~~ award from another collateral source.

Sec. 17. Minnesota Statutes 2020, section 611A.68, subdivision 4b, is amended to read:

Subd. 4b. **Claims by victims of offender's crime.** A victim of a crime committed by the offender and the estate of a deceased victim of a crime committed by the offender may submit the following claims for ~~reparations~~ reimbursement and damages to the board to be paid from money received by virtue of the offender's contract:

(1) claims for ~~reparations~~ reimbursement to which the victim is entitled under sections 611A.51 to 611A.68 and for which the victim has not yet received an award from the board;

(2) claims for ~~reparations~~ reimbursement to which the victim would have been entitled under sections 611A.51 to 611A.68, but for the $50,000 maximum limit contained in section 611A.54, clause (3); and

(3) claims for other uncompensated damages suffered by the victim as a result of the offender's crime including, but not limited to, damages for pain and suffering.

The victim must file the claim within five years of the date on which the board received payment under this section. The board shall determine the victim's claim in accordance with the procedures contained in sections 611A.57 to 611A.63. An award made by the board under this subdivision must be paid from the money received by virtue of the offender's contract that remains after a deduction or allocation, if any, has been made under subdivision 4 or 4a.

Sec. 18. Minnesota Statutes 2020, section 611A.68, subdivision 4c, is amended to read:

Subd. 4c. **Claims by other crime victims.** The board may use money received by virtue of an offender's contract for the purpose of paying ~~reparations~~ reimbursement awarded to victims of other crimes pursuant to sections 611A.51 to 611A.68 under the following circumstances:

(1) money remain after deductions and allocations have been made under subdivisions 4 and 4a, and claims have been paid under subdivision 4b; or

(2) no claim is filed under subdivision 4b within five years of the date on which the board received payment under this section.

None of this money may be used for purposes other than ~~the payment of reparations~~ reimbursement.

Sec. 19. **REVISOR INSTRUCTION.**

In Minnesota Statutes, the revisor of statutes shall change "reparations," "reparable," or the same or similar terms to "reimbursement," "reimbursable," or the same or similar terms consistent with this article. The revisor shall also make other technical changes resulting from the change of term to the statutory language, sentence structure, or both, if necessary to preserve the meaning of the text.

ARTICLE 18
CRIME VICTIM NOTIFICATION

Section 1. Minnesota Statutes 2020, section 253B.18, subdivision 5a, is amended to read:

Subd. 5a. **Victim notification of petition and release; right to submit statement.** (a) As used in this subdivision:

(1) "crime" has the meaning given to "violent crime" in section 609.1095, and includes criminal sexual conduct in the fifth degree and offenses within the definition of "crime against the person" in section 253B.02, subdivision 4e, and also includes offenses listed in section 253D.02, subdivision 8, paragraph (b), regardless of whether they are sexually motivated;

(2) "victim" means a person who has incurred loss or harm as a result of a crime the behavior for which forms the basis for a commitment under this section or chapter 253D; and

(3) "convicted" and "conviction" have the meanings given in section 609.02, subdivision 5, and also include juvenile court adjudications, findings under Minnesota Rules of Criminal Procedure, rule 20.02, that the elements of a crime have been proved, and findings in commitment cases under this section or chapter 253D that an act or acts constituting a crime occurred or were part of their course of harmful sexual conduct.

(b) A county attorney who files a petition to commit a person under this section or chapter 253D shall make a reasonable effort to provide prompt notice of filing the petition to any victim of a crime for which the person was convicted. In addition, the county attorney shall make a reasonable effort to promptly notify the victim of the resolution of the petition and the process for requesting notification of an individual's change in status as provided in paragraph (c).

(c) A victim may request notification of an individual's discharge or release as provided in paragraph (d) by submitting a written request for notification to the executive director of the facility in which the individual is confined. The Department of Corrections or a county attorney who receives a request for notification from a victim under this section shall promptly forward the request to the executive director of the treatment facility in which the individual is confined.

~~(c)~~ (d) Before provisionally discharging, discharging, granting pass-eligible status, approving a pass plan, or otherwise permanently or temporarily releasing a person committed under this section from a state-operated treatment program or treatment facility, the head of the state-operated treatment program or head of the treatment facility shall make a reasonable effort to notify any victim of a crime for which the person was convicted that the person may be discharged or released and that the victim has a right to submit a written statement regarding decisions of the medical director, special review board, or commissioner with respect to the person. To the extent possible, the notice must be provided at least 14 days before any special review board hearing or before a determination on a pass plan. Notwithstanding section 611A.06, subdivision 4, the commissioner shall provide the judicial appeal panel with victim information in order to comply with the provisions of this section. The judicial appeal panel shall ensure that the data on victims remains private as provided for in section 611A.06, subdivision 4. These notices shall only be provided to victims who have submitted a written request for notification as provided in paragraph (c).

~~(d) This subdivision applies only to victims who have requested notification through the Department of Corrections electronic victim notification system, or by contacting, in writing, the county attorney in the county where the conviction for the crime occurred. A request for notice under this subdivision received by the commissioner of corrections through the Department of Corrections electronic victim notification system shall be promptly forwarded to the prosecutorial authority with jurisdiction over the offense to which the notice relates or, following commitment, the head of the state-operated treatment program or head of the treatment facility. A county attorney who receives a request for notification under this paragraph following commitment shall promptly forward the request to the commissioner of human services.~~

(e) The rights under this subdivision are in addition to rights available to a victim under chapter 611A. This provision does not give a victim all the rights of a "notified person" or a person "entitled to statutory notice" under subdivision 4a, 4b, or 5 or section 253D.14.

Sec. 2. Minnesota Statutes 2020, section 253D.14, subdivision 2, is amended to read:

Subd. 2. **Notice of filing petition.** A county attorney who files a petition to commit a person under this chapter shall make a reasonable effort to provide prompt notice of filing the petition to any victim of a crime for which the person was convicted or was listed as a victim in the petition of commitment. In addition, the county attorney shall make a reasonable and good faith effort to promptly notify the victim of the resolution of the ~~petition~~ process for requesting the notification of an individual's change in status as provided in section 253D.14, subdivision 3.

Sec. 3. Minnesota Statutes 2020, section 253D.14, is amended by adding a subdivision to read:

Subd. 2a. **Requesting notification.** A victim may request notification of an individual's discharge or release as outlined in subdivision 3 by submitting a written request for notification to the executive director of the facility in which the individual is confined. The Department of Corrections or a county attorney who receives a request for notification from a victim under this section following an individual's civil commitment shall promptly forward the request to the executive director of the treatment facility in which the individual is confined.

Sec. 4. Minnesota Statutes 2020, section 253D.14, subdivision 3, is amended to read:

Subd. 3. **Notice of discharge or release.** Before provisionally discharging, discharging, granting pass-eligible status, approving a pass plan, or otherwise permanently or temporarily releasing a person committed under this chapter from a treatment facility, the executive director shall make a reasonable effort to notify any victim of a crime for which the person was convicted that the person may be discharged or released and that the victim has a right to submit a written statement regarding decisions of the executive director, or special review board, with respect to the person. To the extent possible, the notice must be provided at least 14 days before any special review board hearing or before a determination on a pass plan. Notwithstanding section 611A.06, subdivision 4, the commissioner shall provide the judicial appeal panel with victim information in order to comply with the provisions of this chapter. The judicial appeal panel shall ensure that the data on victims remains private as provided for in section 611A.06, subdivision 4. This subdivision applies only to victims who have submitted a written request for notification as provided in subdivision 2a.

Sec. 5. Minnesota Statutes 2020, section 611A.039, subdivision 1, is amended to read:

Subdivision 1. **Notice required.** (a) Except as otherwise provided in subdivision 2, within 15 working days after a conviction, acquittal, or dismissal in a criminal case in which there is an identifiable crime victim, the prosecutor shall make reasonable good faith efforts to provide to each affected crime victim oral or written notice of the final disposition of the case and of the victim rights under section 611A.06. When the court is considering modifying the sentence for a felony or a crime of violence or an attempted crime of violence, the court or its designee shall make a reasonable and good faith effort to notify the victim of the crime. If the victim is incapacitated or deceased, notice must be given to the victim's family. If the victim is a minor, notice must be given to the victim's parent or guardian. The notice must include:

(1) the date and approximate time of the review;

(2) the location where the review will occur;

(3) the name and telephone number of a person to contact for additional information; and

(4) a statement that the victim and victim's family may provide input to the court concerning the sentence modification.

(b) The Office of Justice Programs in the Department of Public Safety shall develop and update a model notice of postconviction rights under this subdivision and section 611A.06.

(c) As used in this section, "crime of violence" has the meaning given in section 624.712, subdivision 5, and also includes gross misdemeanor violations of section 609.224, and nonfelony violations of sections 518B.01, 609.2231, 609.3451, 609.748, and 609.749.

Sec. 6. Minnesota Statutes 2020, section 611A.06, subdivision 1, is amended to read:

Subdivision 1. **Notice of release required.** (a) The commissioner of corrections or other custodial authority shall make a good faith effort to notify the victim that the offender is to be released from imprisonment or incarceration, including release on extended furlough and for work release~~; released~~ and release from a juvenile correctional facility~~; released from a facility in which the offender was confined due to incompetency, mental illness, or mental deficiency, or commitment under section 253B.18 or chapter 253D;~~, or if the offender's custody status is reduced~~, if the victim has mailed to the commissioner of corrections or~~. These notices shall only be provided to victims who have submitted a written request for notification to the head of the county correctional facility in which the offender is confined ~~a written request for this notice~~, or ~~the victim has made~~ if committed to the Department of Corrections, submitted a written request for this notice to the commissioner of corrections or electronic request through the Department of Corrections electronic victim notification system. The good faith effort to notify the victim must occur prior to the offender's release or when the offender's custody status is reduced. For a victim of a felony crime against the person for which the offender was sentenced to imprisonment for more than 18 months, the good faith effort to notify the victim must occur 60 days before the offender's release.

(b) The commissioner of human services shall make a good faith effort to notify the victim in writing that the offender is to be released from confinement in a facility due to incompetency, mental illness, or mental deficiency, or commitment under section 253B.18 or chapter 253D if the victim has submitted a written request for notification to the executive director of the facility in which the individual is confined.

Sec. 7. **REPEALER.**

Minnesota Statutes 2020, sections 253D.14, subdivision 4; and 611A.0385, are repealed.

ARTICLE 19
EMERGENCY RESPONSE AND FIRE SAFETY

Section 1. **[299F.0115] EXEMPTION FOR MEMBERS OF FEDERALLY RECOGNIZED TRIBES.**

(a) The state fire marshal shall issue building-specific waivers for elements of the State Fire Code that conflict with a federally recognized Tribe's religious beliefs, traditional building practices, or established teachings. Both individual members of federally recognized Tribes, direct lineal descendents of federally recognized Tribes, and organizations of members of federally recognized Tribes may apply for these waivers.

(b) Waivers may only be granted for the following types of buildings:

(1) traditional residential buildings that will be used solely by an individual applicant's household or an organizational applicant's members;

(2) meeting houses; and

(3) one-room educational buildings.

(c) To obtain a waiver, an applicant must apply to the state fire marshal on a form established by the state fire marshal. The application must:

(1) identify the building the waiver will apply to;

(2) identify the Tribe the applicant is a member of; and

(3) declare that requirements of the State Fire Code conflict with religious beliefs, traditional building practices, or established teachings of the identified Tribe, which the applicant adheres to.

(d) Any building for which a waiver is granted may not be sold or leased until:

(1) the building is brought into compliance with the version of the State Fire Code in force at the time of the sale or lease; or

(2) the prospective buyer or lessee to which the building is being sold or leased to obtains a waiver under this section for the building.

Sec. 2. **[299F.3605] PETROLEUM REFINERIES.**

(a) As used in this section, "petroleum refinery" has the meaning given in section 115C.02, subdivision 10a.

(b) By January 1, 2022, each petroleum refinery operating in the state shall maintain or contract for a full-time paid on-site fire department regularly charged with the responsibility of providing fire protection to the refinery that is sufficiently trained, equipped, and staffed to respond to fires at the refinery and to conduct inspections and employee training to prevent fires.

Sec. 3. Minnesota Statutes 2020, section 299N.04, subdivision 1, is amended to read:

Subdivision 1. **Examination; requirements.** (a) The board must appoint an organization ~~that is accredited by the International Fire Service Accreditation Congress~~ to prepare and administer firefighter certification examinations. Firefighter certification examinations must be designed to ensure and demonstrate competency that meets ~~the~~ applicable NFPA ~~1001 standard or a national standard in areas including but not limited to:~~ standards.

~~(1) fire prevention;~~

~~(2) fire suppression; and~~

~~(3) hazardous materials operations.~~

~~(b) Certification must be obtained by the individual demonstrating competency in fire prevention and protection under the NFPA 1001 standard.~~

~~(c)~~ (b) Nothing in this section shall be construed to prohibit any requirement imposed by a local fire department for more comprehensive training.

Sec. 4. Minnesota Statutes 2020, section 299N.04, is amended by adding a subdivision to read:

Subd. 1a. **Firefighter Certification Board; appointments; duties.** (a) By July 1, 2022, the commissioner shall appoint a Firefighter Certification Board consisting of 18 members as recommended by the following organizations:

(1) one member recommended by the Minnesota State Fire Chiefs Association;

(2) one member recommended by the Minnesota State Fire Department Association;

(3) one member recommended by the Minnesota Chapter of the International Association of Arson Investigators;

(4) one member recommended by the Fire Marshals Association of Minnesota;

(5) one member recommended by the State Fire Marshal Division;

(6) one member recommended by the Minnesota State Fire Training Program Coordinator's Group;

(7) two members recommended by Minnesota Professional Fire Fighters;

(8) one member recommended by a private fire training organization;

(9) one member recommended by regional fire training academies;

(10) five members recommended by the regional director of Greater Minnesota Fire Service;

(11) one member recommended by the League of Minnesota Cities;

(12) one member recommended by the Minnesota Association of Townships; and

(13) one public member not affiliated or associated with any member or interest, appointed by the commissioner.

(b) Each member shall serve an initial term of two years. The commissioner shall appoint at least eight members from outside the metropolitan area.

(c) Appointed members serve without compensation.

(d) By January 1, 2023, the board must be accredited by the International Fire Service Accreditation Congress and begin to carry out the following duties:

(1) establish qualifications for, appoint, and train examiners to conduct both the written and skills tests required for firefighter certification;

(2) maintain a list of examiners that have met the qualifications;

(3) develop and maintain a program to determine and certify the competency of and issue certificates to individuals who pass examinations based on the NFPA fire service professional qualifications and other standards approved by the certification assembly;

(4) make recommendations to the legislature to improve the quality of firefighter training;

(5) conduct studies and surveys and make reports to the commissioner; and

(6) conduct other activities as necessary to carry out these duties.

(e) The commissioner shall provide the necessary staff and support to the board and may charge back any costs related to the board to the special account created in subdivision 4.

Sec. 5. Minnesota Statutes 2020, section 299N.04, subdivision 2, is amended to read:

Subd. 2. **Eligibility for certification examination.** Except as provided in subdivision 3, any person may take the firefighter certification examination who has successfully completed the following:

(1)(i) a firefighter course from a postsecondary educational institution, an accredited institution of higher learning, or another entity that teaches a course that has been approved by the board; or (ii) an apprenticeship or cadet program maintained by a Minnesota fire department that has been approved by the ~~board~~ Board of Firefighter Training and Education; and

(2) a skills-oriented basic training course.

Sec. 6. Minnesota Statutes 2020, section 299N.04, is amended by adding a subdivision to read:

Subd. 4. **Revenues.** (a) The board and its programs shall be funded through fees collected from individuals who apply for certification and for certification renewal.

(b) A firefighter certification account is created in the special revenue fund. The account consists of the fees collected under this section and any other money donated, allotted, transferred, or otherwise provided to the account. Money in the account is annually appropriated to the commissioner to pay costs incurred under this section.

(c) The board may accept funding from the fire safety account established in section 297I.06 for special or distinctive projects.

(d) The board shall recommend a certification fee schedule to the commissioner. The commissioner shall set the fee on an annual basis to coincide with the state's fiscal year.

Sec. 7. Minnesota Statutes 2020, section 299N.04, is amended by adding a subdivision to read:

Subd. 5. **Definitions.** (a) Unless otherwise indicated, for purposes of this section, the terms in this subdivision have the meanings given them.

(b) "Board" means the Firefighter Certification Board established under subdivision 1a.

(c) "Commissioner" means the commissioner of public safety.

Sec. 8. **[326B.125] EXEMPTION FOR MEMBERS OF FEDERALLY RECOGNIZED TRIBES.**

(a) The commissioner of labor and industry shall issue building-specific waivers for elements of the State Building Code that conflict with a federally recognized Tribe's religious beliefs, traditional building practices, or established teachings. Both individual members of federally recognized Tribes, direct lineal descendents of federally recognized Tribes, and organizations of members of federally recognized Tribes may apply for these waivers.

(b) Waivers may only be granted for the following types of buildings:

(1) traditional residential buildings that will be used solely by an individual applicant's household or an organizational applicant's members;

(2) meeting houses; and

(3) one-room educational buildings.

(c) To obtain a waiver, an applicant must apply to the commissioner on a form established by the commissioner. The application must:

(1) identify the building the waiver will apply to;

(2) identify the Tribe the applicant is a member of; and

(3) declare that requirements of the State Building Code conflict with religious beliefs, traditional building practices, or established teachings of the identified Tribe, which the applicant adheres to.

(d) Any building for which a waiver is granted may not be sold or leased until:

(1) the building is brought into compliance with the version of the State Building Code in force at the time of the sale or lease; or

(2) the prospective buyer or lessee to which the building is being sold or leased to obtains a waiver under this section for the building.

Sec. 9. Minnesota Statutes 2020, section 403.02, subdivision 16, is amended to read:

Subd. 16. **Metropolitan area.** "Metropolitan area" means the counties of Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, and Washington.

Sec. 10. Minnesota Statutes 2020, section 403.03, subdivision 1, is amended to read:

Subdivision 1. **Emergency response services.** Services available through a 911 system must include police, firefighting, and emergency medical and ambulance services. Other emergency and civil defense services may be incorporated into the 911 system at the discretion of the public agency operating the public safety answering point. The 911 system ~~may~~ shall include a referral to mental health crisis teams~~, where available~~ when appropriate.

Sec. 11. Minnesota Statutes 2020, section 403.07, subdivision 2, is amended to read:

Subd. 2. **Design standards for metropolitan area.** The Metropolitan ~~911~~ Emergency Services Board shall establish and adopt design standards for the metropolitan area 911 system and transmit them to the commissioner for incorporation into the rules adopted pursuant to this section.

Sec. 12. Minnesota Statutes 2020, section 403.11, subdivision 1, is amended to read:

Subdivision 1. **Emergency telecommunications service fee; account.** (a) Each customer of a wireless or wire-line switched or packet-based telecommunications service provider connected to the public switched telephone network that furnishes service capable of originating a 911 emergency telephone call is assessed a fee based upon the number of wired or wireless telephone lines, or their equivalent, to cover the costs of ongoing maintenance and

related improvements for trunking and central office switching equipment for 911 emergency telecommunications service, to offset administrative and staffing costs of the commissioner related to managing the 911 emergency telecommunications service program, to make distributions provided for in section 403.113, ~~and~~ to offset the costs, including administrative and staffing costs, incurred by the State Patrol Division of the Department of Public Safety in handling 911 emergency calls made from wireless phones~~.~~, and to offset costs to state and local governments for ongoing increases in expenditures related to the updating and maintenance of systems to comply with Next-Generation-IP-based 911 telecommunications systems.

(b) Money remaining in the 911 emergency telecommunications service account after all other obligations are paid and defined reserves met must not cancel and is carried forward to subsequent years and ~~may~~ shall be appropriated ~~from time to time~~ to the commissioner to provide financial assistance to counties for the improvement of local emergency telecommunications services in compliance with the uses designated in section 403.113, subdivision 3.

(c) The fee may not be less than eight cents nor more than 65 cents a month until June 30, 2008, not less than eight cents nor more than 75 cents a month until June 30, 2009, not less than eight cents nor more than 85 cents a month until June 30, 2010, and not less than eight cents nor more than 95 cents a month on or after July 1, 2010, for each customer access line or other basic access service, including trunk equivalents as designated by the Public Utilities Commission for access charge purposes and including wireless telecommunications services. With the approval of the commissioner of management and budget, the commissioner of public safety shall establish the amount of the fee within the limits specified and inform the companies and carriers of the amount to be collected. ~~When the revenue bonds authorized under section 403.27, subdivision 1, have been fully paid or defeased, the commissioner shall reduce the fee to reflect that debt service on the bonds is no longer needed.~~ The commissioner shall provide companies and carriers a minimum of 45 days' notice of each fee change. The fee must be the same for all customers, except that the fee imposed under this subdivision does not apply to prepaid wireless telecommunications service, which is instead subject to the fee imposed under section 403.161, subdivision 1, paragraph (a).

(d) The fee must be collected by each wireless or wire-line telecommunications service provider subject to the fee. Fees are payable to and must be submitted to the commissioner monthly before the 25th of each month following the month of collection, except that fees may be submitted quarterly if less than $250 a month is due, or annually if less than $25 a month is due. Receipts must be deposited in the state treasury and credited to a 911 emergency telecommunications service account in the special revenue fund. The money in the account may only be used for 911 telecommunications services.

(e) Competitive local exchanges carriers holding certificates of authority from the Public Utilities Commission are eligible to receive payment for recurring 911 services.

Sec. 13. Minnesota Statutes 2020, section 403.21, subdivision 3, is amended to read:

Subd. 3. **First phase.** "First phase" or "first phase of the regionwide public safety radio communication system" means the initial backbone which serves the following ~~nine-county~~ ten-county metropolitan area: Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, and Washington Counties.

Sec. 14. Minnesota Statutes 2020, section 403.21, subdivision 12, is amended to read:

Subd. 12. **Greater Minnesota.** "Greater Minnesota" means the area of the state outside the ~~nine-county~~ ten-county metropolitan area served by the first phase.

Sec. 15. Minnesota Statutes 2020, section 403.36, subdivision 1, is amended to read:

Subdivision 1. **Membership.** (a) The commissioner of public safety shall convene and chair the Statewide Radio Board to develop a project plan for a statewide, shared, trunked public safety radio communication system. The system may be referred to as "Allied Radio Matrix for Emergency Response," or "ARMER."

(b) The board consists of the following members or their designees:

(1) the commissioner of public safety;

(2) the commissioner of transportation;

(3) the state chief information officer;

(4) the commissioner of natural resources;

(5) the chief of the Minnesota State Patrol;

(6) the chair of the Metropolitan Council;

(7) two elected city officials, one from the ~~nine-county~~ ten-county metropolitan area and one from Greater Minnesota, appointed by the governing body of the League of Minnesota Cities;

(8) two elected county officials, one from the ~~nine-county~~ ten-county metropolitan area and one from Greater Minnesota, appointed by the governing body of the Association of Minnesota Counties;

(9) two sheriffs, one from the ~~nine-county~~ ten-county metropolitan area and one from Greater Minnesota, appointed by the governing body of the Minnesota Sheriffs' Association;

(10) two chiefs of police, one from the ~~nine-county~~ ten-county metropolitan area and one from Greater Minnesota, appointed by the governor after considering recommendations made by the Minnesota Chiefs' of Police Association;

(11) two fire chiefs, one from the ~~nine-county~~ ten-county metropolitan area and one from Greater Minnesota, appointed by the governor after considering recommendations made by the Minnesota Fire Chiefs' Association;

(12) two representatives of emergency medical service providers, one from the ~~nine-county~~ ten-county metropolitan area and one from Greater Minnesota, appointed by the governor after considering recommendations made by the Minnesota Ambulance Association;

(13) the chair of the ~~regional radio board for the metropolitan area~~ Metropolitan Emergency Services Board; and

(14) a representative of Greater Minnesota elected by those units of government in phase three and any subsequent phase of development as defined in the statewide, shared radio and communication plan, who have submitted a plan to the Statewide Radio Board and where development has been initiated.

(c) The Statewide Radio Board shall coordinate the appointment of board members representing Greater Minnesota with the appointing authorities and may designate the geographic region or regions from which an appointed board member is selected where necessary to provide representation from throughout the state.

Sec. 16. **911 TELECOMMUNICATOR WORKING GROUP.**

Subdivision 1. **Membership.** (a) The commissioner of public safety shall convene a 911 telecommunicator working group that consists of the commissioner, or a designee, and one representative of each of the following organizations:

(1) the Minnesota Chiefs of Police Association;

(2) the Minnesota Sheriffs' Association;

(3) the Minnesota Police and Peace Officers Association;

(4) the Emergency Communications Network;

(5) the Minnesota State Fire Chiefs Association;

(6) the Association of Minnesota Counties;

(7) the League of Minnesota Cities;

(8) Tribal dispatchers;

(9) the Metropolitan Emergency Services Board;

(10) the Emergency Medical Services Regulatory Board;

(11) the Statewide Emergency Communications Board;

(12) each of the Statewide Emergency Communications Board's seven regional boards;

(13) mental health crisis team providers;

(14) the Minnesota Association of Public Safety Communications Officials (MN APCO) and the National Emergency Number Association of Minnesota (NENA of MN); and

(15) the Minnesota Ambulance Association.

(b) The working group must also include a nonsupervisory telecommunicator working in a regional center outside of the seven-county metropolitan area, a nonsupervisory telecommunicator working in rural Minnesota, and a nonsupervisory telecommunicator working in the seven-county metropolitan area.

(c) The organizations specified in paragraph (a) shall provide the commissioner with a designated member to serve on the working group by June 15, 2021. The commissioner shall appoint these members to the working group. Appointments to the working group must be made by July 1, 2021.

Subd. 2. **Duties; report.** The working group must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety policy and finance by January 15, 2022. The report must:

(1) recommend a statutory definition of 911 telecommunicators;

(2) recommend minimum training and continuing education standards for certification of 911 telecommunicators;

(3) recommend standards for certification of 911 telecommunicators;

(4) recommend funding options for mandated 911 telecommunicators training;

(5) recommend best practices in incident response command structure for the state's first responders to implement that do not violate either the United States or Minnesota Constitutions, after reviewing the various incident response command structures used in the field across the nation and world; and

(6) provide other recommendations the working group deems appropriate.

Subd. 3. **First meeting; chair.** The commissioner of public safety must convene the first meeting of the working group by August 1, 2021. At the first meeting, the members must elect a chair. The working group may conduct meetings remotely. The chair shall be responsible for document management of materials for the working group.

Subd. 4. **Compensation; reimbursement.** Members serve without compensation.

Subd. 5. **Administrative support.** The commissioner of public safety must provide administrative support to the working group.

Subd. 6. **Expiration.** The working group expires January 15, 2022.

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

Sec. 17. **TITLE.**

Section 10 shall be known as "Travis's Law.""

Delete the title and insert:

"A bill for an act relating to public safety; modifying certain provisions of law related to public safety, law enforcement, adult and juvenile corrections, community supervision, rehabilitation, criminal sexual conduct, crime, sentencing, community safety, crime victims, child protection background checks, emergency response, fire safety, civil law, data practices, human rights, and forfeiture law; providing for task forces and working groups; providing for rulemaking; providing for criminal penalties; requiring reports; appropriating money for public safety, sentencing guidelines, corrections, Peace Officer Standards and Training (POST) Board, Private Detective Board, Ombudsperson for Corrections, disaster assistance, supreme court, public defense, courts, Guardian Ad Litem Board, Uniform Laws Commission, Board on Judicial Standards, Board of Public Defense, and human rights; amending Minnesota Statutes 2020, sections 2.722, subdivision 1; 5B.02; 5B.05; 5B.10, subdivision 1; 13.045, subdivisions 1, 2, 3, 4a; 13.32, subdivision 3; 13.41, subdivision 3; 13.411, by adding a subdivision; 13.552, by adding a subdivision; 13.7931, by adding a subdivision; 13.82, by adding a subdivision; 13.824, subdivision 6; 13.825, subdivision 9; 13.856, subdivision 3; 144.225, subdivision 7; 152.32, by adding a subdivision; 169.99, subdivision 1c, by adding a subdivision; 169A.55, subdivisions 2, 4; 169A.60, subdivision 13; 169A.63, subdivisions 1, 7, 8, 9, 10, 13, by adding subdivisions; 171.06, subdivision 3; 171.29, subdivision 1; 171.30, subdivision 1; 171.306, subdivisions 2, 4; 214.10, subdivision 11; 241.01, subdivision 3a; 241.016; 241.021, subdivisions 1, 2a, 2b, by adding subdivisions; 241.025, subdivisions 1, 2, 3; 243.166, subdivisions 1b, 4b; 243.48, subdivision 1; 243.52; 244.03; 244.05, subdivisions 1b, 4, 5, by adding a subdivision; 244.065; 244.09, subdivisions 5, 6, by adding a subdivision; 244.101, subdivision 1; 244.19, subdivision 3; 244.195, subdivision 2; 253B.18, subdivision 5a; 253D.14, subdivisions 2, 3, by adding a subdivision; 260B.163, subdivision 1; 260B.176, subdivision 2, by adding a subdivision; 260C.007, subdivision 6; 260C.163, subdivision 3; 299A.01, subdivision 2; 299A.52, subdivision 2; 299A.55; 299C.60; 299C.61, subdivisions 2, 4, by adding subdivisions; 299C.62,

subdivisions 1, 2, 3, 4, 6; 299C.63; 299C.72; 299C.80, subdivision 3; 299N.04, subdivisions 1, 2, by adding subdivisions; 340A.504, subdivision 7; 357.021, subdivisions 1a, 6; 357.17; 359.04; 363A.02, subdivision 1; 363A.06, subdivision 1; 363A.08, subdivision 6, by adding a subdivision; 363A.09, subdivisions 1, 2, by adding a subdivision; 363A.28, subdivisions 1, 6; 363A.31, subdivision 2; 363A.33, subdivision 3; 363A.36, subdivisions 1, 2, 3, 4, by adding a subdivision; 363A.44, subdivisions 2, 4, 9; 401.025, subdivision 1; 401.06; 403.02, subdivision 16; 403.03, subdivision 1; 403.07, subdivision 2; 403.11, subdivision 1; 403.21, subdivisions 3, 12; 403.36, subdivision 1; 477A.03, subdivision 2b; 480A.06, subdivision 4; 484.85; 514.977; 517.04; 517.08, subdivision 1b; 524.2-503; 541.073, subdivision 2; 573.02, subdivision 1; 590.01, subdivision 4; 609.03; 609.101, subdivision 5; 609.106, subdivision 2, by adding a subdivision; 609.1095, subdivision 1; 609.115, by adding subdivisions; 609.131, subdivision 2; 609.14, subdivision 1, by adding a subdivision; 609.2231, subdivision 4; 609.2233; 609.2325; 609.322, subdivisions 1, 1a; 609.324, subdivisions 1, 2, 4; 609.3241; 609.341, subdivisions 3, 7, 11, 12, 14, 15, by adding subdivisions; 609.342; 609.343; 609.344; 609.345; 609.3451; 609.3455; 609.3459; 609.347, by adding a subdivision; 609.352, subdivision 4; 609.527, subdivision 3; 609.531, subdivision 1, by adding a subdivision; 609.5311, subdivisions 2, 3, 4; 609.5314, subdivisions 1, 2, 3, by adding a subdivision; 609.5315, subdivisions 5, 5b, 6; 609.595, subdivisions 1a, 2; 609.605, subdivision 2; 609.66, subdivision 1e; 609.749, subdivision 3; 609A.01; 609A.02, subdivision 3, by adding a subdivision; 609A.025; 609A.03, subdivisions 5, 7, 7a, 9; 611.21; 611.27, subdivisions 9, 10, 11, 13, 15; 611A.03, subdivision 1; 611A.039, subdivision 1; 611A.06, subdivision 1; 611A.51; 611A.52, subdivisions 3, 4, 5; 611A.53; 611A.54; 611A.55; 611A.56; 611A.57, subdivisions 5, 6; 611A.60; 611A.61; 611A.612; 611A.66; 611A.68, subdivisions 2a, 4, 4b, 4c; 624.712, subdivision 5; 626.14; 626.5531, subdivision 1; 626.842, subdivision 2; 626.843, subdivision 1; 626.8435; 626.845, subdivision 3; 626.8451, subdivision 1; 626.8457, subdivision 3; 626.8459; 626.8469, subdivision 1, by adding a subdivision; 626.8473, subdivision 3; 626.8475; 626.89, subdivisions 2, 17; 626.93, by adding a subdivision; 628.26; Laws 2016, chapter 189, article 4, section 7; Laws 2017, chapter 95, article 1, section 11, subdivision 7; article 3, section 30; Laws 2020, chapter 118, section 4; Laws 2020, Second Special Session chapter 1, sections 9; 10; Laws 2020, Fifth Special Session chapter 3, article 9, section 6; Laws 2020, Seventh Special Session chapter 2, article 2, section 4; proposing coding for new law in Minnesota Statutes, chapters 3; 13; 62A; 84; 169; 241; 243; 244; 260B; 299A; 299F; 326B; 359; 363A; 604A; 609; 609A; 611A; 626; 634; 641; repealing Minnesota Statutes 2020, sections 253D.14, subdivision 4; 609.324, subdivision 3; 609.5317; 611A.0385."

The motion prevailed and the amendment was adopted.

The Speaker called Carlson to the Chair.

Mariani moved to amend S. F. No. 970, the third engrossment, as amended, as follows:

Page 103, line 15, after "agency" insert "for adoption" and delete "transfer" and insert "forfeiture" and delete "circumvent" and insert "be prohibited under"

Page 116, after line 9, insert:

"Sec. 3. Minnesota Statutes 2020, section 169.57, subdivision 3, is amended to read:

Subd. 3. **Maintenance.** (a) When a vehicle is equipped with stop lamps ~~or signal lamps~~, the lamps must at all times be maintained in good working condition and must be self-illumined when in use at the times when lighted lamps on vehicles are required.

(b) ~~All mechanical signal devices~~ When a vehicle is equipped with signal lamps, the lamps must at all times be maintained in good working condition and must be self-illumined when in use at the times when lighted lamps on vehicles are required."

Page 116, line 15, delete "1" and insert "4"

Page 116, line 16, delete "vehicle registration" and insert "plate display"

Page 116, line 19, after "subdivision" insert "1 or" and delete "license plate" insert "vehicle registration/plate display/"

Page 116, line 23, after "(a)" insert ", or subdivision 3, paragraph (a)" and after the second "lamps" insert "/stop lamp maintenance"

Page 117, line 22, after "(a)" insert ", or subdivision 3, paragraph (a)"

Page 117, line 23, after "lamps" insert "/stop lamp maintenance"

Page 226, line 20, delete "is a" and insert "involves"

Page 226, line 21, delete "crime"

Page 318, line 2, delete "meet" and insert "stop the cycles of violence by meeting"

Page 318, line 11, delete "meet" and insert "stop the cycles of violence by meeting"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Moller moved to amend S. F. No. 970, the third engrossment, as amended, as follows:

Page 279, after line 26, insert:

"Sec. 3. Minnesota Statutes 2020, section 169A.60, subdivision 2, is amended to read:

Subd. 2. **Plate impoundment violation; impoundment order.** (a) The commissioner shall issue a registration plate impoundment order when:

(1) a person's driver's license or driving privileges are revoked for a plate impoundment violation; ~~or~~

(2) a person is arrested for or charged with a plate impoundment violation described in subdivision 1, paragraph (d), clause (5); or

(3) a person issued new registration plates pursuant to subdivision 13, paragraph (f), violates the terms of the ignition interlock program as described in subdivision 13, paragraph (g).

(b) The order must require the impoundment of the registration plates of the motor vehicle involved in the plate impoundment violation and all motor vehicles owned by, registered, or leased in the name of the violator, including motor vehicles registered jointly or leased in the name of the violator and another. The commissioner shall not issue an impoundment order for the registration plates of a rental vehicle, as defined in section 168.041, subdivision 10, or a vehicle registered in another state.

Sec. 4. Minnesota Statutes 2020, section 169A.60, subdivision 3, is amended to read:

Subd. 3. **Notice of impoundment.** An impoundment order is effective when the commissioner or a peace officer acting on behalf of the commissioner notifies the violator or the registered owner of the motor vehicle of the intent to impound and order of impoundment. The notice must advise the violator of the duties and obligations set forth in subdivision 6 (surrender of plates) and of the right to obtain administrative and judicial review. The notice to the registered owner who is not the violator must include the procedure to obtain new registration plates under subdivision 8. If mailed, the notice and order of impoundment is deemed received three days after mailing to the last known address of the violator or the registered owner, including the address provided when the person became a program participant in the ignition interlock program under section 171.306."

Page 280, line 17, after "requested" insert ", except that a person who paid the fee required under paragraph (f) must not be required to pay an additional fee if the commissioner issued an impoundment order pursuant to paragraph (g)"

Page 280, line 30, after the period, insert "This paragraph does not apply if the registration plates have been impounded pursuant to paragraph (g)."

Page 280, after line 30, insert:

"(g) The commissioner shall issue a registration plate impoundment order for new registration plates issued pursuant to paragraph (f) if, before a program participant in the ignition interlock program under section 171.306 has been restored to full driving privileges, the program participant:

(1) either voluntarily or involuntarily ceases to participate in the program for more than 30 days; or

(2) fails to successfully complete the program 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."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Grossell moved to amend S. F. No. 970, the third engrossment, as amended, as follows:

Page 16, delete lines 16 to 19 and insert:

"(d) **Violent Crime Enforcement Teams**

$5,000,000 each year is for grants to violent crime enforcement teams under Minnesota Statutes, section 299A.642, subdivision 9, to combat violent crimes, including drug trafficking, human trafficking, carjacking, and gang violence."

Page 297, delete section 17

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Grossell amendment and the roll was called. There were 64 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Akland	Daudt	Gruenhagen	Kresha	Neu Brindley	Rasmusson
Albright	Davids	Haley	Lucero	Novotny	Robbins
Anderson	Demuth	Hamilton	Lueck	O'Driscoll	Schomacker
Backer	Dettmer	Heinrich	McDonald	Olson, B.	Scott
Bahr	Drazkowski	Heintzeman	Mekeland	O'Neill	Swedzinski
Baker	Erickson	Hertaus	Miller	Petersburg	Theis
Bennett	Franke	Igo	Mortensen	Pfarr	Torkelson
Bliss	Franson	Johnson	Mueller	Pierson	Urdahl
Boe	Garofalo	Jurgens	Munson	Poston	West
Burkel	Green	Kiel	Nash	Quam	
Daniels	Grossell	Koznick	Nelson, N.	Raleigh	

Those who voted in the negative were:

Acomb	Edelson	Hausman	Liebling	Nelson, M.	Sundin
Agbaje	Elkins	Her	Lillie	Noor	Thompson
Bahner	Feist	Hollins	Lippert	Olson, L.	Vang
Becker-Finn	Fischer	Hornstein	Lislegard	Pelowski	Wazlawik
Berg	Frazier	Howard	Long	Pinto	Winkler
Bernardy	Frederick	Huot	Mariani	Pryor	Wolgamott
Bierman	Freiberg	Jordan	Marquart	Reyer	Xiong, J.
Boldon	Gomez	Keeler	Masin	Richardson	Xiong, T.
Carlson	Greenman	Klevorn	Moller	Sandell	Youakim
Christensen	Hansen, R.	Koegel	Moran	Sandstede	Spk. Hortman
Davnie	Hanson, J.	Kotyza-Witthuhn	Morrison	Schultz	
Ecklund	Hassan	Lee	Murphy	Stephenson	

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

Poston moved to amend S. F. No. 970, the third engrossment, as amended, as follows:

Page 10, after line 6, insert:

"(c) **Physical Security Audit Grants for Public Schools**

$5,000,000 each year is for reimbursement grants to public school districts that contract for audits of the physical security of public school campuses. Applicants for reimbursement grants may

receive up to 100 percent of the cost of physical security audits of public school campuses conducted by security consultants holding a certified protection professional certification from the American Society for Industrial Security or other professional certification deemed acceptable by the commissioner of public safety."

Page 16, delete lines 16 to 19

Reletter the clauses in sequence

Adjust amounts accordingly

A roll call was requested and properly seconded.

The question was taken on the Poston amendment and the roll was called. There were 63 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Akland	Daudt	Gruenhagen	Lucero	Novotny	Robbins
Albright	Davids	Hamilton	Lueck	O'Driscoll	Schomacker
Anderson	Demuth	Heinrich	McDonald	Olson, B.	Scott
Backer	Dettmer	Heintzeman	Mekeland	O'Neill	Swedzinski
Bahr	Drazkowski	Hertaus	Miller	Petersburg	Theis
Baker	Erickson	Igo	Mortensen	Pfarr	Torkelson
Bennett	Franke	Johnson	Mueller	Pierson	Urdahl
Bliss	Franson	Jurgens	Munson	Poston	West
Boe	Garofalo	Kiel	Nash	Quam	
Burkel	Green	Koznick	Nelson, N.	Raleigh	
Daniels	Grossell	Kresha	Neu Brindley	Rasmusson	

Those who voted in the negative were:

Acomb	Elkins	Hausman	Liebling	Nelson, M.	Sundin
Agbaje	Feist	Her	Lillie	Noor	Thompson
Bahner	Fischer	Hollins	Lippert	Olson, L.	Vang
Becker-Finn	Frazier	Hornstein	Lislegard	Pelowski	Wazlawik
Bernardy	Frederick	Howard	Long	Pinto	Winkler
Bierman	Freiberg	Huot	Mariani	Pryor	Wolgamott
Boldon	Gomez	Jordan	Marquart	Reyer	Xiong, J.
Carlson	Greenman	Keeler	Masin	Richardson	Xiong, T.
Christensen	Haley	Klevorn	Moller	Sandell	Youakim
Davnie	Hansen, R.	Koegel	Moran	Sandstede	Spk. Hortman
Ecklund	Hanson, J.	Kotyza-Witthuhn	Morrison	Schultz	
Edelson	Hassan	Lee	Murphy	Stephenson	

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

Novotny moved to amend S. F. No. 970, the third engrossment, as amended, as follows:

Page 20, line 10, after "Officers" insert ", Other Officials, and Certain Licensees"

Page 20, line 15, after "officers" insert ", other officials, and certain licensees"

Page 322, line 11, after "OFFICERS" insert ", OTHER OFFICIALS, AND CERTAIN LICENSEES"

Page 322, line 14, after "officers" insert ", the governor, the attorney general, members of the house of representatives and the senate of the state of Minnesota, licensees of any health-related licensing board, as defined in Minnesota Statutes, section 214.01, subdivision 2, and licensees of any non-health-related licensing board as defined in Minnesota Statutes, section 214.01, subdivision 3,"

Page 322, line 15, delete "of a licensed peace officer" and insert "committed"

Page 322, line 18, delete "for peace officers"

Page 322, line 19, delete "to cover individual peace officers"

Page 322, line 25, delete "the" and insert "an" and delete "of the peace officer"

Page 322, line 26, delete "officer" and insert "person or organization"

Page 322, line 30, delete "peace officer" and insert "person or organization"

Page 323, line 1, after "officers" insert ", other officials, and certain licensees"

Page 323, line 2, delete "peace officers" and insert "those individuals and their employers"

Page 323, line 3, delete "peace officers" and insert "the identified individuals and organizations"

Page 323, line 5, delete "that peace" and insert "the identified individuals and organizations"

Page 323, line 6, delete "officers"

A roll call was requested and properly seconded.

The question was taken on the Novotny amendment and the roll was called. There were 64 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Akland	Daudt	Gruenhagen	Kresha	Neu Brindley	Rasmusson
Albright	Davids	Haley	Lucero	Novotny	Robbins
Anderson	Demuth	Hamilton	Lueck	O'Driscoll	Schomacker
Backer	Dettmer	Heinrich	McDonald	Olson, B.	Scott
Bahr	Drazkowski	Heintzeman	Mekeland	O'Neill	Swedzinski
Baker	Erickson	Hertaus	Miller	Petersburg	Theis
Bennett	Franke	Igo	Mortensen	Pfarr	Torkelson
Bliss	Franson	Johnson	Mueller	Pierson	Urdahl
Boe	Garofalo	Jurgens	Munson	Poston	West
Burkel	Green	Kiel	Nash	Quam	
Daniels	Grossell	Koznick	Nelson, N.	Raleigh	

Those who voted in the negative were:

Acomb	Edelson	Hausman	Liebling	Nelson, M.	Sundin
Agbaje	Elkins	Her	Lillie	Noor	Thompson
Bahner	Feist	Hollins	Lippert	Olson, L.	Vang
Becker-Finn	Fischer	Hornstein	Lislegard	Pelowski	Wazlawik
Berg	Frazier	Howard	Long	Pinto	Winkler
Bernardy	Frederick	Huot	Mariani	Pryor	Wolgamott
Bierman	Freiberg	Jordan	Marquart	Reyer	Xiong, J.
Boldon	Gomez	Keeler	Masin	Richardson	Xiong, T.
Carlson	Greenman	Klevorn	Moller	Sandell	Youakim
Christensen	Hansen, R.	Koegel	Moran	Sandstede	Spk. Hortman
Davnie	Hanson, J.	Kotyza-Witthuhn	Morrison	Schultz	
Ecklund	Hassan	Lee	Murphy	Stephenson	

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

Neu Brindley moved to amend S. F. No. 970, the third engrossment, as amended, as follows:

Page 248, after line 19, insert:

"Sec. 19. Minnesota Statutes 2020, section 609.135, subdivision 2, is amended to read:

Subd. 2. **Stay of sentence maximum periods.** (a) If the conviction is for a felony other than section 609.2113, subdivision 1 or 2, or 609.2114, subdivision 2, or Minnesota Statutes 2012, section 609.21, subdivision 1a, paragraph (b) or (c), the stay shall be for not more than four years or the maximum period for which the sentence of imprisonment might have been imposed, whichever is longer.

(b) If the conviction is for a gross misdemeanor violation of section 169A.20, 609.2113, subdivision 3, or 609.3451, or for a felony described in section 609.2113, subdivision 1 or 2, or 609.2114, subdivision 2, the stay shall be for not more than six years. The court shall provide for unsupervised probation for the last year of the stay unless the court finds that the defendant needs supervised probation for all or part of the last year.

(c) If the conviction is for a gross misdemeanor not specified in paragraph (b), the stay shall be for not more than two years.

(d) If the conviction is for any misdemeanor under section 169A.20; 609.746, subdivision 1; 609.79; or 617.23; or for a misdemeanor under section 609.2242 or 609.224, subdivision 1, in which the victim of the crime was a family or household member as defined in section 518B.01, the stay shall be for not more than two years. The court shall provide for unsupervised probation for the second year of the stay unless the court finds that the defendant needs supervised probation for all or part of the second year.

(e) If the conviction is for a misdemeanor not specified in paragraph (d), the stay shall be for not more than one year.

(f) The defendant shall be discharged six months after the term of the stay expires, unless the stay has been revoked or extended under paragraph (g), or the defendant has already been discharged.

(g) Notwithstanding the maximum periods specified for stays of sentences under paragraphs (a) to (f), a court may extend a defendant's term of probation for up to one year if it finds, at a hearing conducted under subdivision 1a, that:

(1) the defendant has not paid court-ordered restitution in accordance with the payment schedule or structure; and

(2) the defendant is likely to not pay the restitution the defendant owes before the term of probation expires.

This one-year extension of probation for failure to pay restitution may be extended by the court for up to one additional year if the court finds, at another hearing conducted under subdivision 1a, that the defendant still has not paid the court-ordered restitution that the defendant owes.

Nothing in this subdivision limits the court's ability to refer the case to collections under section 609.104.

(h) Notwithstanding the maximum periods specified for stays of sentences under paragraphs (a) to (f), a court may extend a defendant's term of probation for up to three years if it finds, at a hearing conducted under subdivision 1c, that:

(1) the defendant has failed to complete court-ordered treatment successfully; and

(2) the defendant is likely not to complete court-ordered treatment before the term of probation expires.

(i) Notwithstanding any law or provision of the Sentencing Guidelines to the contrary, when ordering a stay of imposition or execution of sentence for a felony offense described in this paragraph, the maximum length of the stay and the process for pronouncing it are governed exclusively by this section. This paragraph applies to violations of the following: sections 152.021 (controlled substance crime in the first degree); 152.022 (controlled substance crime in the second degree); 152.023, subdivision 1 (controlled substance crime in the third degree, sales); 152.024, subdivision 1 (controlled substance crime in the fourth degree, sales); 152.0261 (importing controlled substances across state borders); 152.0262 (possession of substances with intent to manufacture methamphetamine); 609.19 (murder in the second degree); 609.195 (murder in the third degree); 609.20 (manslaughter in the first degree); 609.205 (manslaughter in the second degree); 609.2112 (criminal vehicular homicide); 609.221 (assault in the first degree); 609.222 (assault in the second degree); 609.229 (crimes committed for the benefit of a gang); 609.24 (simple robbery); 609.245 (aggravated robbery); 609.25 (kidnapping); 609.2662 (murder of an unborn child in the second degree); 609.2663 (murder of an unborn child in the third degree); 609.2664 (manslaughter of an unborn child in the first degree); 609.268 (death or injury of an unborn child in the commission of a crime); 609.322 (solicitation, inducement, and promotion of prostitution; sex trafficking); 609.342 (criminal sexual conduct in the first degree); 609.343 (criminal sexual conduct in the second degree); 609.344 (criminal sexual conduct in the third degree); 609.345 (criminal sexual conduct in the fourth degree); 609.3451, subdivision 3 (felony criminal sexual conduct in the fifth degree); 609.377, subdivision 6 (malicious punishment of a child, great bodily harm); 609.52 (involving theft of a firearm and theft involving the theft of a controlled substance, an explosive, or an incendiary device); 609.561 (arson in the first degree); 609.562 (arson in the second degree); 609.582, subdivision 1 or 2 (burglary in the first and second degrees); 609.66, subdivision 1e, paragraph (b) (drive-by shooting at or toward a person or occupied building); 609.71, subdivision 1 (riot in the first degree); and 609.749, subdivision 3, paragraph (b), subdivision 4, paragraph (b), and subdivision 5, paragraph (a) (certain harassment crimes); and an attempt to commit any of these offenses where the maximum penalty applicable for the attempt is longer than five years imprisonment.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to crimes committed on or after that date."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

Mariani moved to amend the Neu Brindley amendment to S. F. No. 970, the third engrossment, as amended, as follows:

Page 2, line 23, delete "Notwithstanding any law or provision of the Sentencing Guidelines to the contrary" and insert "The commissioner of corrections shall conduct a study to determine whether better public safety outcomes would be accomplished if"

Page 2, line 25, delete "are" and insert "were"

Page 2, line 26, after "section" insert "without regard to any contrary provision of the Sentencing Guidelines"

POINT OF ORDER

Neu Brindley raised a point of order pursuant to rule 4.03, relating to Ways and Means Committee; Budget Resolution; Effect on Expenditure and Revenue Bills, that the Mariani amendment to the Neu Brindley amendment was not in order. Speaker pro tempore Carlson ruled the point of order not well taken and the Mariani amendment to the Neu Brindley amendment in order.

Neu Brindley withdrew her amendment to S. F. No. 970, the third engrossment, as amended.

Johnson moved to amend S. F. No. 970, the third engrossment, as amended, as follows:

Page 229, lines 27 and 31, delete "15" and insert "25"

Page 230, lines 7, 8, and 10, delete "15" and insert "25"

Page 232, lines 10, 12, and 14, delete "15" and insert "25"

Page 254, line 7, delete "15" and insert "25"

Page 277, lines 20, 23, and 24, delete "15" and insert "25"

A roll call was requested and properly seconded.

The question was taken on the Johnson amendment and the roll was called. There were 64 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Akland	Baker	Daniels	Drazkowski	Green	Heinrich
Albright	Bennett	Daudt	Erickson	Grossell	Heintzeman
Anderson	Bliss	Davids	Franke	Gruenhagen	Hertaus
Backer	Boe	Demuth	Franson	Haley	Igo
Bahr	Burkel	Dettmer	Garofalo	Hamilton	Johnson

Jurgens	McDonald	Nash	O'Neill	Raleigh	Theis
Kiel	Mekeland	Nelson, N.	Petersburg	Rasmusson	Torkelson
Koznick	Miller	Neu Brindley	Pfarr	Robbins	Urdahl
Kresha	Mortensen	Novotny	Pierson	Schomacker	West
Lucero	Mueller	O'Driscoll	Poston	Scott	
Lueck	Munson	Olson, B.	Quam	Swedzinski	

Those who voted in the negative were:

Acomb	Edelson	Hausman	Liebling	Nelson, M.	Sundin
Agbaje	Elkins	Her	Lillie	Noor	Thompson
Bahner	Feist	Hollins	Lippert	Olson, L.	Vang
Becker-Finn	Fischer	Hornstein	Lislegard	Pelowski	Wazlawik
Berg	Frazier	Howard	Long	Pinto	Winkler
Bernardy	Frederick	Huot	Mariani	Pryor	Wolgamott
Bierman	Freiberg	Jordan	Marquart	Reyer	Xiong, J.
Boldon	Gomez	Keeler	Masin	Richardson	Xiong, T.
Carlson	Greenman	Klevorn	Moller	Sandell	Youakim
Christensen	Hansen, R.	Koegel	Moran	Sandstede	Spk. Hortman
Davnie	Hanson, J.	Kotyza-Witthuhn	Morrison	Schultz	
Ecklund	Hassan	Lee	Murphy	Stephenson	

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

Poston moved to amend S. F. No. 970, the third engrossment, as amended, as follows:

Page 260, line 11, after the semicolon, insert "and"

Page 260, line 13, delete "; and" and insert a period

Page 260, delete lines 14 to 16

Page 260, line 30, after the semicolon, insert "and"

Page 261, line 20, delete "; and" and insert a period

Page 261, delete lines 21 to 27

Page 262, delete lines 1 to 13

Page 262, line 15, after the semicolon, insert "and"

Page 262, line 16, delete "; and" and insert a period

Page 262, delete line 17

A roll call was requested and properly seconded.

The question was taken on the Poston amendment and the roll was called. There were 63 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Akland	Daudt	Haley	Lucero	Novotny	Robbins
Albright	Davids	Hamilton	Lueck	O'Driscoll	Schomacker
Anderson	Demuth	Heinrich	McDonald	Olson, B.	Scott
Backer	Dettmer	Heintzeman	Mekeland	O'Neill	Swedzinski
Bahr	Drazkowski	Hertaus	Miller	Petersburg	Theis
Baker	Erickson	Igo	Mortensen	Pfarr	Torkelson
Bennett	Franson	Johnson	Mueller	Pierson	Urdahl
Bliss	Garofalo	Jurgens	Munson	Poston	West
Boe	Green	Kiel	Nash	Quam	
Burkel	Grossell	Koznick	Nelson, N.	Raleigh	
Daniels	Gruenhagen	Kresha	Neu Brindley	Rasmusson	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Lee	Murphy	Stephenson
Agbaje	Elkins	Hausman	Liebling	Nelson, M.	Sundin
Bahner	Feist	Her	Lillie	Noor	Thompson
Becker-Finn	Fischer	Hollins	Lippert	Olson, L.	Vang
Berg	Franke	Hornstein	Lislegard	Pelowski	Wazlawik
Bernardy	Frazier	Howard	Long	Pinto	Winkler
Bierman	Frederick	Huot	Mariani	Pryor	Wolgamott
Boldon	Freiberg	Jordan	Marquart	Reyer	Xiong, J.
Carlson	Gomez	Keeler	Masin	Richardson	Xiong, T.
Christensen	Greenman	Klevorn	Moller	Sandell	Youakim
Davnie	Hansen, R.	Koegel	Moran	Sandstede	Spk. Hortman
Ecklund	Hanson, J.	Kotyza-Witthuhn	Morrison	Schultz	

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

Petersburg moved to amend S. F. No. 970, the third engrossment, as amended, as follows:

Page 116, delete section 3

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Petersburg amendment and the roll was called. There were 54 yeas and 78 nays as follows:

Those who voted in the affirmative were:

Akland	Backer	Bliss	Daniels	Demuth	Franson
Albright	Baker	Boe	Daudt	Dettmer	Garofalo
Anderson	Bennett	Burkel	Davids	Erickson	Green

Grossell	Igo	Lucero	Nelson, N.	Pfarr	Robbins
Gruenhagen	Johnson	Lueck	Neu Brindley	Pierson	Schomacker
Haley	Jurgens	McDonald	Novotny	Poston	Swedzinski
Heinrich	Kiel	Mekeland	O'Driscoll	Quam	Theis
Heintzeman	Koznick	Mueller	Olson, B.	Raleigh	Torkelson
Hertaus	Kresha	Nash	Petersburg	Rasmusson	Urdahl

Those who voted in the negative were:

Acomb	Ecklund	Hanson, J.	Lee	Mortensen	Schultz
Agbaje	Edelson	Hassan	Liebling	Munson	Stephenson
Bahner	Elkins	Hausman	Lillie	Murphy	Sundin
Bahr	Feist	Her	Lippert	Nelson, M.	Thompson
Becker-Finn	Fischer	Hollins	Lislegard	Noor	Vang
Berg	Franke	Hornstein	Long	Olson, L.	Wazlawik
Bernardy	Frazier	Howard	Mariani	Pelowski	West
Bierman	Frederick	Huot	Marquart	Pinto	Winkler
Boldon	Freiberg	Jordan	Masin	Pryor	Wolgamott
Carlson	Gomez	Keeler	Miller	Reyer	Xiong, J.
Christensen	Greenman	Klevorn	Moller	Richardson	Xiong, T.
Davnie	Hamilton	Koegel	Moran	Sandell	Youakim
Drazkowski	Hansen, R.	Kotyza-Witthuhn	Morrison	Sandstede	Spk. Hortman

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

Speaker pro tempore Carlson called Olson, L., to the Chair.

Raleigh moved to amend S. F. No. 970, the third engrossment, as amended, as follows:

Page 10, line 24, delete "$2,955,000" and insert "$2,855,000" and delete "$2,605,000" and insert "$2,505,000"

Page 12, after line 20, insert:

"(m) **City of Hugo Security Grant**

$100,000 each year is for a grant to the city of Hugo to compensate the city for the costs of required additional security."

Adjust amounts accordingly

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

Lucero moved to amend S. F. No. 970, the third engrossment, as amended, as follows:

Page 228, after line 22, insert:

"Section 1. Minnesota Statutes 2020, section 169.346, subdivision 3, is amended to read:

Subd. 3. **Misdemeanor; enforcement.** (a) A person who violates subdivision 1 is guilty of a misdemeanor and must be fined ~~not less than $100 and not more than $200~~ $400.

(b) A person who violates subdivision 1 a second time within two years is guilty of a misdemeanor and must be fined $800.

(c) A person who violates subdivision 1 a third time within two years is guilty of a misdemeanor and must be fined $1,000.

(d) A person who violates subdivision 1 a fourth time or more within two years is guilty of a misdemeanor and must be fined $1,000, and the local authority shall impound the person's vehicle pursuant to chapter 168B.

(e) This subdivision must be enforced in the same manner as parking ordinances or regulations in the governmental subdivision in which the violation occurs. Law enforcement officers may tag motor vehicles parked on either private or public property in violation of subdivision 1. Parking enforcement employees or agents of statutory or home rule charter cities or towns may tag or otherwise issue citations for motor vehicles parked on public property in violation of subdivision 1.

(f) If a holder of a disability certificate or disability plates allows a person who is not otherwise eligible to use the certificate or plates, then the holder is not eligible to be issued or to use a disability certificate or plates for 12 months after the date of violation. A person who uses a disability certificate or disability plates under this paragraph and is not transporting or parking a motor vehicle for a physically disabled person is guilty of identity theft and shall be punished pursuant to section 609.527, subdivision 3.

(g) Except when the permit or certificate is expired by, or is otherwise invalid for, more than 90 days, a physically disabled person, or a person parking a motor vehicle for a disabled person, who is charged with violating subdivision 1 because the person parked in a parking space for physically disabled persons without the required certificate, license plates, or permit must not be convicted if the person (1) produces in court or before the court appearance the required certificate, permit, or evidence that the person has been issued plates under section 168.021, (2) surrenders the expired permit or certificate, and (3) demonstrates entitlement to the certificate, plates, or permit at the time of arrest or tagging. To be valid, the certificate or permit must show that it is owned by the same person that owned the expired certificate or permit displayed at the time the tag was issued.

(h) The registered vehicle owner is subject to the provisions of this subdivision.

EFFECTIVE DATE. This section is effective August 1, 2021, and applies to violations that occur on or after that date. Enhanced penalties for subsequent violations under this section apply only to first violations that occur on or after August 1, 2021."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Grossell moved to amend S. F. No. 970, the third engrossment, as amended, as follows:

Page 292, line 25, strike the second "and"

Page 292, line 26, strike the period and insert "; and"

Page 292, after line 26, insert:

"(6) ensuring that local units of government do not reduce the number of licensed peace officers serving their communities or otherwise replace licensed peace officers with unlicensed personnel."

A roll call was requested and properly seconded.

Mariani moved to amend the Grossell amendment to S. F. No. 970, the third engrossment, as amended, as follows:

Page 1, line 6, delete everything after "government" and insert "employ licensed peace officers and other personnel sufficient to maintain public safety in their community."

Page 1, delete lines 7 and 8

A roll call was requested and properly seconded.

The question was taken on the Mariani amendment to the Grossell amendment and the roll was called. There were 71 yeas and 63 nays as follows:

Those who voted in the affirmative were:

Acomb	Edelson	Hausman	Liebling	Nelson, M.	Stephenson
Agbaje	Elkins	Her	Lillie	Noor	Sundin
Bahner	Feist	Hollins	Lippert	O'Driscoll	Thompson
Becker-Finn	Fischer	Hornstein	Lislegard	Olson, L.	Vang
Berg	Frazier	Howard	Long	Pelowski	Wazlawik
Bernardy	Frederick	Huot	Mariani	Pinto	Winkler
Bierman	Freiberg	Jordan	Marquart	Pryor	Wolgamott
Boldon	Gomez	Keeler	Masin	Reyer	Xiong, J.
Carlson	Greenman	Klevorn	Moller	Richardson	Xiong, T.
Christensen	Hansen, R.	Koegel	Moran	Sandell	Youakim
Davnie	Hanson, J.	Kotyza-Witthuhn	Morrison	Sandstede	Spk. Hortman
Ecklund	Hassan	Lee	Murphy	Schultz	

Those who voted in the negative were:

Akland	Daudt	Gruenhagen	Kresha	Neu Brindley	Robbins
Albright	Davids	Haley	Lucero	Novotny	Schomacker
Anderson	Demuth	Hamilton	Lueck	Olson, B.	Scott
Backer	Dettmer	Heinrich	McDonald	O'Neill	Swedzinski
Bahr	Drazkowski	Heintzeman	Mekeland	Petersburg	Theis
Baker	Erickson	Hertaus	Miller	Pfarr	Torkelson
Bennett	Franke	Igo	Mortensen	Pierson	Urdahl
Bliss	Franson	Johnson	Mueller	Poston	West
Boe	Garofalo	Jurgens	Munson	Quam	
Burkel	Green	Kiel	Nash	Raleigh	
Daniels	Grossell	Koznick	Nelson, N.	Rasmusson	

The motion prevailed and the amendment to the amendment was adopted.

Grossell withdrew his amendment, as amended, to S. F. No. 970, the third engrossment, as amended.

The Speaker resumed the Chair.

Scott moved to amend S. F. No. 970, the third engrossment, as amended, as follows:

Page 6, line 10, delete "5,668,000" and insert "5,408,000" and delete "5,768,000" and insert "5,508,000"

Page 6, line 13, delete "$345,000" and insert "$85,000" and delete "$350,000" and insert "$90,000"

Page 6, after line 30, insert:

"Sec. 13. **DEPARTMENT OF HUMAN SERVICES** **$260,000** **$260,000**

Court-Appointed Counsel

$260,000 each year is for costs related to court-appointed counsel in child protection proceedings pursuant to Minnesota Statutes, section 260C.163, subdivision 3."

Adjust amounts accordingly

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Scott amendment and the roll was called. There were 64 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Akland	Daudt	Gruenhagen	Kresha	Neu Brindley	Rasmusson
Albright	Davids	Haley	Lucero	Novotny	Robbins
Anderson	Demuth	Hamilton	Lueck	O'Driscoll	Schomacker
Backer	Dettmer	Heinrich	McDonald	Olson, B.	Scott
Bahr	Drazkowski	Heintzeman	Mekeland	O'Neill	Swedzinski
Baker	Erickson	Hertaus	Miller	Petersburg	Theis
Bennett	Franke	Igo	Mortensen	Pfarr	Torkelson
Bliss	Franson	Johnson	Mueller	Pierson	Urdahl
Boe	Garofalo	Jurgens	Munson	Poston	West
Burkel	Green	Kiel	Nash	Quam	
Daniels	Grossell	Koznick	Nelson, N.	Raleigh	

Those who voted in the negative were:

Acomb	Bernardy	Davnie	Fischer	Greenman	Her
Agbaje	Bierman	Ecklund	Frazier	Hansen, R.	Hollins
Bahner	Boldon	Edelson	Frederick	Hanson, J.	Hornstein
Becker-Finn	Carlson	Elkins	Freiberg	Hassan	Howard
Berg	Christensen	Feist	Gomez	Hausman	Huot

Jordan	Lillie	Moller	Pelowski	Schultz	Wolgamott
Keeler	Lippert	Moran	Pinto	Stephenson	Xiong, J.
Klevorn	Lislegard	Morrison	Pryor	Sundin	Xiong, T.
Koegel	Long	Murphy	Reyer	Thompson	Youakim
Kotyza-Witthuhn	Mariani	Nelson, M.	Richardson	Vang	Spk. Hortman
Lee	Marquart	Noor	Sandell	Wazlawik	
Liebling	Masin	Olson, L.	Sandstede	Winkler	

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

Nash offered an amendment to S. F. No. 970, the third engrossment, as amended.

POINT OF ORDER

Stephenson raised a point of order pursuant to rule 3.21 that the Nash amendment was not in order. The Speaker ruled the point of order well taken and the Nash amendment out of order.

Nash appealed the decision of the Speaker.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" and the roll was called. There were 69 yeas and 65 nays as follows:

Those who voted in the affirmative were:

Acomb	Edelson	Hausman	Liebling	Noor	Thompson
Agbaje	Elkins	Her	Lillie	Olson, L.	Vang
Bahner	Feist	Hollins	Lippert	Pelowski	Wazlawik
Becker-Finn	Fischer	Hornstein	Lislegard	Pinto	Winkler
Berg	Frazier	Howard	Long	Pryor	Wolgamott
Bernardy	Frederick	Huot	Mariani	Reyer	Xiong, J.
Bierman	Freiberg	Jordan	Marquart	Richardson	Xiong, T.
Boldon	Gomez	Keeler	Masin	Sandell	Youakim
Carlson	Greenman	Klevorn	Moller	Sandstede	Spk. Hortman
Christensen	Hansen, R.	Koegel	Moran	Schultz	
Davnie	Hanson, J.	Kotyza-Witthuhn	Morrison	Stephenson	
Ecklund	Hassan	Lee	Murphy	Sundin	

Those who voted in the negative were:

Akland	Boe	Erickson	Hamilton	Koznick	Mueller
Albright	Burkel	Franke	Heinrich	Kresha	Munson
Anderson	Daniels	Franson	Heintzeman	Lucero	Nash
Backer	Daudt	Garofalo	Hertaus	Lueck	Nelson, M.
Bahr	Davids	Green	Igo	McDonald	Nelson, N.
Baker	Demuth	Grossell	Johnson	Mekeland	Neu Brindley
Bennett	Dettmer	Gruenhagen	Jurgens	Miller	Novotny
Bliss	Drazkowski	Haley	Kiel	Mortensen	O'Driscoll

Olson, B.	Pfarr	Quam	Robbins	Swedzinski	Urdahl
O'Neill	Pierson	Raleigh	Schomacker	Theis	West
Petersburg	Poston	Rasmusson	Scott	Torkelson	

So it was the judgment of the House that the decision of the Speaker should stand.

Nash offered an amendment to S. F. No. 970, the third engrossment, as amended.

POINT OF ORDER

Stephenson raised a point of order pursuant to rule 3.21 that the Nash amendment was not in order. The Speaker ruled the point of order well taken and the Nash amendment out of order.

Nash appealed the decision of the Speaker.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" and the roll was called. There were 69 yeas and 64 nays as follows:

Those who voted in the affirmative were:

Acomb	Edelson	Her	Lillie	Noor	Thompson
Agbaje	Elkins	Hollins	Lippert	Olson, L.	Vang
Bahner	Feist	Hornstein	Lislegard	Pelowski	Wazlawik
Becker-Finn	Fischer	Howard	Long	Pinto	Winkler
Berg	Frazier	Huot	Mariani	Pryor	Wolgamott
Bernardy	Frederick	Jordan	Marquart	Reyer	Xiong, J.
Bierman	Freiberg	Keeler	Masin	Richardson	Xiong, T.
Boldon	Gomez	Klevorn	Moller	Sandell	Youakim
Carlson	Greenman	Koegel	Moran	Sandstede	Spk. Hortman
Christensen	Hansen, R.	Kotyza-Witthuhn	Morrison	Schultz	
Davnie	Hanson, J.	Lee	Murphy	Stephenson	
Ecklund	Hausman	Liebling	Nelson, M.	Sundin	

Those who voted in the negative were:

Akland	Daudt	Gruenhagen	Kresha	Neu Brindley	Rasmusson
Albright	Davids	Haley	Lucero	Novotny	Robbins
Anderson	Demuth	Hamilton	Lueck	O'Driscoll	Schomacker
Backer	Dettmer	Heinrich	McDonald	Olson, B.	Scott
Bahr	Drazkowski	Heintzeman	Mekeland	O'Neill	Swedzinski
Baker	Erickson	Hertaus	Miller	Petersburg	Theis
Bennett	Franke	Igo	Mortensen	Pfarr	Torkelson
Bliss	Franson	Johnson	Mueller	Pierson	Urdahl
Boe	Garofalo	Jurgens	Munson	Poston	West
Burkel	Green	Kiel	Nash	Quam	
Daniels	Grossell	Koznick	Nelson, N.	Raleigh	

So it was the judgment of the House that the decision of the Speaker should stand.

Johnson offered an amendment to S. F. No. 970, the third engrossment, as amended.

POINT OF ORDER

Moran raised a point of order pursuant to rule 4.03, relating to Ways and Means Committee; Budget Resolution; Effect on Expenditure and Revenue Bills, that the Johnson amendment was not in order. The Speaker ruled the point of order well taken and the Johnson amendment out of order.

Grossell offered an amendment to S. F. No. 970, the third engrossment, as amended.

POINT OF ORDER

Moran raised a point of order pursuant to rule 4.03, relating to Ways and Means Committee; Budget Resolution; Effect on Expenditure and Revenue Bills, that the Grossell amendment was not in order. The Speaker ruled the point of order well taken and the Grossell amendment out of order.

Rasmusson appealed the decision of the Speaker.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" and the roll was called. There were 70 yeas and 64 nays as follows:

Those who voted in the affirmative were:

Acomb	Edelson	Hausman	Liebling	Nelson, M.	Sundin
Agbaje	Elkins	Her	Lillie	Noor	Thompson
Bahner	Feist	Hollins	Lippert	Olson, L.	Vang
Becker-Finn	Fischer	Hornstein	Lislegard	Pelowski	Wazlawik
Berg	Frazier	Howard	Long	Pinto	Winkler
Bernardy	Frederick	Huot	Mariani	Pryor	Wolgamott
Bierman	Freiberg	Jordan	Marquart	Reyer	Xiong, J.
Boldon	Gomez	Keeler	Masin	Richardson	Xiong, T.
Carlson	Greenman	Klevorn	Moller	Sandell	Youakim
Christensen	Hansen, R.	Koegel	Moran	Sandstede	Spk. Hortman
Davnie	Hanson, J.	Kotyza-Witthuhn	Morrison	Schultz	
Ecklund	Hassan	Lee	Murphy	Stephenson	

Those who voted in the negative were:

Akland	Boe	Erickson	Hamilton	Koznick	Mueller
Albright	Burkel	Franke	Heinrich	Kresha	Munson
Anderson	Daniels	Franson	Heintzeman	Lucero	Nash
Backer	Daudt	Garofalo	Hertaus	Lueck	Nelson, N.
Bahr	Davids	Green	Igo	McDonald	Neu Brindley
Baker	Demuth	Grossell	Johnson	Mekeland	Novotny
Bennett	Dettmer	Gruenhagen	Jurgens	Miller	O'Driscoll
Bliss	Drazkowski	Haley	Kiel	Mortensen	Olson, B.

O'Neill	Pierson	Raleigh	Schomacker	Theis	West
Petersburg	Poston	Rasmusson	Scott	Torkelson	
Pfarr	Quam	Robbins	Swedzinski	Urdahl	

So it was the judgment of the House that the decision of the Speaker should stand.

Novotny offered an amendment to S. F. No. 970, the third engrossment, as amended.

POINT OF ORDER

Pinto raised a point of order pursuant to rule 3.21 that the Novotny amendment was not in order. The Speaker ruled the point of order well taken and the Novotny amendment out of order.

Daudt appealed the decision of the Speaker.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" and the roll was called. There were 70 yeas and 63 nays as follows:

Those who voted in the affirmative were:

Acomb	Edelson	Hausman	Liebling	Nelson, M.	Sundin
Agbaje	Elkins	Her	Lillie	Noor	Thompson
Bahner	Feist	Hollins	Lippert	Olson, L.	Vang
Becker-Finn	Fischer	Hornstein	Lislegard	Pelowski	Wazlawik
Berg	Frazier	Howard	Long	Pinto	Winkler
Bernardy	Frederick	Huot	Mariani	Pryor	Wolgamott
Bierman	Freiberg	Jordan	Marquart	Reyer	Xiong, J.
Boldon	Gomez	Keeler	Masin	Richardson	Xiong, T.
Carlson	Greenman	Klevorn	Moller	Sandell	Youakim
Christensen	Hansen, R.	Koegel	Moran	Sandstede	Spk. Hortman
Davnie	Hanson, J.	Kotyza-Witthuhn	Morrison	Schultz	
Ecklund	Hassan	Lee	Murphy	Stephenson	

Those who voted in the negative were:

Akland	Daudt	Gruenhagen	Kresha	Neu Brindley	Robbins
Albright	Davids	Haley	Lucero	Novotny	Schomacker
Anderson	Demuth	Hamilton	Lueck	O'Driscoll	Scott
Backer	Dettmer	Heinrich	McDonald	Olson, B.	Swedzinski
Bahr	Drazkowski	Heintzeman	Mekeland	O'Neill	Theis
Baker	Erickson	Hertaus	Miller	Petersburg	Torkelson
Bennett	Franke	Igo	Mortensen	Pfarr	Urdahl
Bliss	Franson	Johnson	Mueller	Pierson	West
Boe	Garofalo	Jurgens	Munson	Quam	
Burkel	Green	Kiel	Nash	Raleigh	
Daniels	Grossell	Koznick	Nelson, N.	Rasmusson	

So it was the judgment of the House that the decision of the Speaker should stand.

Petersburg offered an amendment to S. F. No. 970, the third engrossment, as amended.

POINT OF ORDER

Pinto raised a point of order pursuant to rule 4.03, relating to Ways and Means Committee; Budget Resolution; Effect on Expenditure and Revenue Bills, that the Petersburg amendment was not in order. The Speaker ruled the point of order well taken and the Petersburg amendment out of order.

Petersburg appealed the decision of the Speaker.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" and the roll was called. There were 70 yeas and 64 nays as follows:

Those who voted in the affirmative were:

Acomb	Edelson	Hausman	Liebling	Nelson, M.	Sundin
Agbaje	Elkins	Her	Lillie	Noor	Thompson
Bahner	Feist	Hollins	Lippert	Olson, L.	Vang
Becker-Finn	Fischer	Hornstein	Lislegard	Pelowski	Wazlawik
Berg	Frazier	Howard	Long	Pinto	Winkler
Bernardy	Frederick	Huot	Mariani	Pryor	Wolgamott
Bierman	Freiberg	Jordan	Marquart	Reyer	Xiong, J.
Boldon	Gomez	Keeler	Masin	Richardson	Xiong, T.
Carlson	Greenman	Klevorn	Moller	Sandell	Youakim
Christensen	Hansen, R.	Koegel	Moran	Sandstede	Spk. Hortman
Davnie	Hanson, J.	Kotyza-Witthuhn	Morrison	Schultz	
Ecklund	Hassan	Lee	Murphy	Stephenson	

Those who voted in the negative were:

Akland	Daudt	Gruenhagen	Kresha	Neu Brindley	Rasmusson
Albright	Davids	Haley	Lucero	Novotny	Robbins
Anderson	Demuth	Hamilton	Lueck	O'Driscoll	Schomacker
Backer	Dettmer	Heinrich	McDonald	Olson, B.	Scott
Bahr	Drazkowski	Heintzeman	Mekeland	O'Neill	Swedzinski
Baker	Erickson	Hertaus	Miller	Petersburg	Theis
Bennett	Franke	Igo	Mortensen	Pfarr	Torkelson
Bliss	Franson	Johnson	Mueller	Pierson	Urdahl
Boe	Garofalo	Jurgens	Munson	Poston	West
Burkel	Green	Kiel	Nash	Quam	
Daniels	Grossell	Koznick	Nelson, N.	Raleigh	

So it was the judgment of the House that the decision of the Speaker should stand.

Demuth offered an amendment to S. F. No. 970, the third engrossment, as amended.

POINT OF ORDER

Moller raised a point of order pursuant to rule 3.21 that the Demuth amendment was not in order. The Speaker ruled the point of order well taken and the Demuth amendment out of order.

Demuth appealed the decision of the Speaker.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" and the roll was called. There were 70 yeas and 64 nays as follows:

Those who voted in the affirmative were:

Acomb	Edelson	Hausman	Liebling	Nelson, M.	Sundin
Agbaje	Elkins	Her	Lillie	Noor	Thompson
Bahner	Feist	Hollins	Lippert	Olson, L.	Vang
Becker-Finn	Fischer	Hornstein	Lislegard	Pelowski	Wazlawik
Berg	Frazier	Howard	Long	Pinto	Winkler
Bernardy	Frederick	Huot	Mariani	Pryor	Wolgamott
Bierman	Freiberg	Jordan	Marquart	Reyer	Xiong, J.
Boldon	Gomez	Keeler	Masin	Richardson	Xiong, T.
Carlson	Greenman	Klevorn	Moller	Sandell	Youakim
Christensen	Hansen, R.	Koegel	Moran	Sandstede	Spk. Hortman
Davnie	Hanson, J.	Kotyza-Witthuhn	Morrison	Schultz	
Ecklund	Hassan	Lee	Murphy	Stephenson	

Those who voted in the negative were:

Akland	Daudt	Gruenhagen	Kresha	Neu Brindley	Rasmusson
Albright	Davids	Haley	Lucero	Novotny	Robbins
Anderson	Demuth	Hamilton	Lueck	O'Driscoll	Schomacker
Backer	Dettmer	Heinrich	McDonald	Olson, B.	Scott
Bahr	Drazkowski	Heintzeman	Mekeland	O'Neill	Swedzinski
Baker	Erickson	Hertaus	Miller	Petersburg	Theis
Bennett	Franke	Igo	Mortensen	Pfarr	Torkelson
Bliss	Franson	Johnson	Mueller	Pierson	Urdahl
Boe	Garofalo	Jurgens	Munson	Poston	West
Burkel	Green	Kiel	Nash	Quam	
Daniels	Grossell	Koznick	Nelson, N.	Raleigh	

So it was the judgment of the House that the decision of the Speaker should stand.

Lislegard offered an amendment to S. F. No. 970, the third engrossment, as amended.

POINT OF ORDER

Pinto raised a point of order pursuant to rule 3.21 that the Lislegard amendment was not in order. The Speaker ruled the point of order well taken and the Lislegard amendment out of order.

Daudt appealed the decision of the Speaker.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" and the roll was called. There were 68 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Acomb	Edelson	Hausman	Liebling	Noor	Vang
Agbaje	Elkins	Her	Lillie	Olson, L.	Wazlawik
Bahner	Feist	Hollins	Lippert	Pelowski	Winkler
Becker-Finn	Fischer	Hornstein	Long	Pinto	Wolgamott
Berg	Frazier	Howard	Mariani	Pryor	Xiong, J.
Bernardy	Frederick	Huot	Marquart	Reyer	Xiong, T.
Bierman	Freiberg	Jordan	Masin	Richardson	Youakim
Boldon	Gomez	Keeler	Moller	Sandell	Spk. Hortman
Carlson	Greenman	Klevorn	Moran	Schultz	
Christensen	Hansen, R.	Koegel	Morrison	Stephenson	
Davnie	Hanson, J.	Kotyza-Witthuhn	Murphy	Sundin	
Ecklund	Hassan	Lee	Nelson, M.	Thompson	

Those who voted in the negative were:

Akland	Daudt	Gruenhagen	Kresha	Nelson, N.	Raleigh
Albright	Davids	Haley	Lislegard	Neu Brindley	Rasmusson
Anderson	Demuth	Hamilton	Lucero	Novotny	Robbins
Backer	Dettmer	Heinrich	Lueck	O'Driscoll	Sandstede
Bahr	Drazkowski	Heintzeman	McDonald	Olson, B.	Schomacker
Baker	Erickson	Hertaus	Mekeland	O'Neill	Scott
Bennett	Franke	Igo	Miller	Petersburg	Swedzinski
Bliss	Franson	Johnson	Mortensen	Pfarr	Theis
Boe	Garofalo	Jurgens	Mueller	Pierson	Torkelson
Burkel	Green	Kiel	Munson	Poston	Urdahl
Daniels	Grossell	Koznick	Nash	Quam	West

So it was the judgment of the House that the decision of the Speaker should stand.

Nash offered an amendment to S. F. No. 970, the third engrossment, as amended.

POINT OF ORDER

Pinto raised a point of order pursuant to rule 3.21 that the Nash amendment was not in order. The Speaker ruled the point of order well taken and the Nash amendment out of order.

Nash appealed the decision of the Speaker.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" and the roll was called. There were 69 yeas and 64 nays as follows:

Those who voted in the affirmative were:

Acomb	Edelson	Her	Lillie	Noor	Thompson
Agbaje	Elkins	Hollins	Lippert	Olson, L.	Vang
Bahner	Feist	Hornstein	Lislegard	Pelowski	Wazlawik
Becker-Finn	Fischer	Howard	Long	Pinto	Winkler
Berg	Frazier	Huot	Mariani	Pryor	Wolgamott
Bernardy	Frederick	Jordan	Marquart	Reyer	Xiong, J.
Bierman	Freiberg	Keeler	Masin	Richardson	Xiong, T.
Boldon	Greenman	Klevorn	Moller	Sandell	Youakim
Carlson	Hansen, R.	Koegel	Moran	Sandstede	Spk. Hortman
Christensen	Hanson, J.	Kotyza-Witthuhn	Morrison	Schultz	
Davnie	Hassan	Lee	Murphy	Stephenson	
Ecklund	Hausman	Liebling	Nelson, M.	Sundin	

Those who voted in the negative were:

Akland	Daudt	Gruenhagen	Kresha	Neu Brindley	Rasmusson
Albright	Davids	Haley	Lucero	Novotny	Robbins
Anderson	Demuth	Hamilton	Lueck	O'Driscoll	Schomacker
Backer	Dettmer	Heinrich	McDonald	Olson, B.	Scott
Bahr	Drazkowski	Heintzeman	Mekeland	O'Neill	Swedzinski
Baker	Erickson	Hertaus	Miller	Petersburg	Theis
Bennett	Franke	Igo	Mortensen	Pfarr	Torkelson
Bliss	Franson	Johnson	Mueller	Pierson	Urdahl
Boe	Garofalo	Jurgens	Munson	Poston	West
Burkel	Green	Kiel	Nash	Quam	
Daniels	Grossell	Koznick	Nelson, N.	Raleigh	

So it was the judgment of the House that the decision of the Speaker should stand.

Lucero offered an amendment to S. F. No. 970, the third engrossment, as amended.

POINT OF ORDER

Moller raised a point of order pursuant to rule 3.21 that the Lucero amendment was not in order. The Speaker ruled the point of order well taken and the Lucero amendment out of order.

Lucero appealed the decision of the Speaker.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" and the roll was called. There were 70 yeas and 64 nays as follows:

Those who voted in the affirmative were:

Acomb	Edelson	Hausman	Liebling	Nelson, M.	Sundin
Agbaje	Elkins	Her	Lillie	Noor	Thompson
Bahner	Feist	Hollins	Lippert	Olson, L.	Vang
Becker-Finn	Fischer	Hornstein	Lislegard	Pelowski	Wazlawik
Berg	Frazier	Howard	Long	Pinto	Winkler
Bernardy	Frederick	Huot	Mariani	Pryor	Wolgamott
Bierman	Freiberg	Jordan	Marquart	Reyer	Xiong, J.
Boldon	Gomez	Keeler	Masin	Richardson	Xiong, T.
Carlson	Greenman	Klevorn	Moller	Sandell	Youakim
Christensen	Hansen, R.	Koegel	Moran	Sandstede	Spk. Hortman
Davnie	Hanson, J.	Kotyza-Witthuhn	Morrison	Schultz	
Ecklund	Hassan	Lee	Murphy	Stephenson	

Those who voted in the negative were:

Akland	Daudt	Gruenhagen	Kresha	Neu Brindley	Rasmusson
Albright	Davids	Haley	Lucero	Novotny	Robbins
Anderson	Demuth	Hamilton	Lueck	O'Driscoll	Schomacker
Backer	Dettmer	Heinrich	McDonald	Olson, B.	Scott
Bahr	Drazkowski	Heintzeman	Mekeland	O'Neill	Swedzinski
Baker	Erickson	Hertaus	Miller	Petersburg	Theis
Bennett	Franke	Igo	Mortensen	Pfarr	Torkelson
Bliss	Franson	Johnson	Mueller	Pierson	Urdahl
Boe	Garofalo	Jurgens	Munson	Poston	West
Burkel	Green	Kiel	Nash	Quam	
Daniels	Grossell	Koznick	Nelson, N.	Raleigh	

So it was the judgment of the House that the decision of the Speaker should stand.

Raleigh offered an amendment to S. F. No. 970, the third engrossment, as amended.

POINT OF ORDER

Moller raised a point of order pursuant to rule 3.21 that the Raleigh amendment was not in order. The Speaker ruled the point of order well taken and the Raleigh amendment out of order.

Raleigh appealed the decision of the Speaker.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" and the roll was called. There were 72 yeas and 62 nays as follows:

Those who voted in the affirmative were:

Acomb	Ecklund	Hanson, J.	Kotyza-Witthuhn	Morrison	Schultz
Agbaje	Edelson	Hassan	Lee	Murphy	Stephenson
Bahner	Elkins	Hausman	Liebling	Nelson, M.	Sundin
Baker	Feist	Her	Lillie	Noor	Thompson
Becker-Finn	Fischer	Hollins	Lippert	Olson, L.	Vang
Berg	Frazier	Hornstein	Lislegard	Pelowski	Wazlawik
Bernardy	Frederick	Howard	Long	Pinto	Winkler
Bierman	Freiberg	Huot	Mariani	Pryor	Wolgamott
Boldon	Gomez	Jordan	Marquart	Reyer	Xiong, J.
Carlson	Greenman	Keeler	Masin	Richardson	Xiong, T.
Christensen	Haley	Klevorn	Moller	Sandell	Youakim
Davnie	Hansen, R.	Koegel	Moran	Sandstede	Spk. Hortman

Those who voted in the negative were:

Akland	Davids	Hamilton	Lueck	O'Driscoll	Schomacker
Albright	Demuth	Heinrich	McDonald	Olson, B.	Scott
Anderson	Dettmer	Heintzeman	Mekeland	O'Neill	Swedzinski
Backer	Drazkowski	Hertaus	Miller	Petersburg	Theis
Bahr	Erickson	Igo	Mortensen	Pfarr	Torkelson
Bennett	Franke	Johnson	Mueller	Pierson	Urdahl
Bliss	Franson	Jurgens	Munson	Poston	West
Boe	Garofalo	Kiel	Nash	Quam	
Burkel	Green	Koznick	Nelson, N.	Raleigh	
Daniels	Grossell	Kresha	Neu Brindley	Rasmusson	
Daudt	Gruenhagen	Lucero	Novotny	Robbins	

So it was the judgment of the House that the decision of the Speaker should stand.

Kiel offered an amendment to S. F. No. 970, the third engrossment, as amended.

POINT OF ORDER

Moller raised a point of order pursuant to rule 3.21 that the Kiel amendment was not in order. The Speaker ruled the point of order well taken and the Kiel amendment out of order.

Daudt appealed the decision of the Speaker.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" and the roll was called. There were 71 yeas and 63 nays as follows:

Those who voted in the affirmative were:

Acomb	Edelson	Hassan	Lee	Murphy	Stephenson
Agbaje	Elkins	Hausman	Liebling	Nelson, M.	Sundin
Bahner	Feist	Her	Lillie	Noor	Thompson
Becker-Finn	Fischer	Hollins	Lippert	Olson, L.	Vang
Berg	Frazier	Hornstein	Lislegard	Pelowski	Wazlawik
Bernardy	Frederick	Howard	Long	Pinto	Winkler
Bierman	Freiberg	Huot	Mariani	Pryor	Wolgamott
Boldon	Gomez	Jordan	Marquart	Reyer	Xiong, J.
Carlson	Greenman	Keeler	Masin	Richardson	Xiong, T.
Christensen	Haley	Klevorn	Moller	Sandell	Youakim
Davnie	Hansen, R.	Koegel	Moran	Sandstede	Spk. Hortman
Ecklund	Hanson, J.	Kotyza-Witthuhn	Morrison	Schultz	

Those who voted in the negative were:

Akland	Daudt	Gruenhagen	Lucero	Novotny	Robbins
Albright	Davids	Hamilton	Lueck	O'Driscoll	Schomacker
Anderson	Demuth	Heinrich	McDonald	Olson, B.	Scott
Backer	Dettmer	Heintzeman	Mekeland	O'Neill	Swedzinski
Bahr	Drazkowski	Hertaus	Miller	Petersburg	Theis
Baker	Erickson	Igo	Mortensen	Pfarr	Torkelson
Bennett	Franke	Johnson	Mueller	Pierson	Urdahl
Bliss	Franson	Jurgens	Munson	Poston	West
Boe	Garofalo	Kiel	Nash	Quam	
Burkel	Green	Koznick	Nelson, N.	Raleigh	
Daniels	Grossell	Kresha	Neu Brindley	Rasmusson	

So it was the judgment of the House that the decision of the Speaker should stand.

S. F. No. 970, as amended, was read for the third time.

Pursuant to rule 1.50, Winkler moved that the House be allowed to continue in session after 12:00 midnight. The motion prevailed.

S. F. No. 970, A bill for an act relating to public safety; amending law and appropriating money for courts, Guardian Ad Litem Board, Uniform Laws Commission, Board on Judicial Standards, Board of Public Defense, human rights, Sentencing Guidelines Commission, public safety, Peace Officers Standards and Training Board, Private Detective Board, corrections, ombudsperson for corrections, and other related matters; authorizing the placement of pregnant and postpartum female inmates in community-based programs; expanding the duties of the commissioner of corrections relating to releasing offenders; reestablishing a Legislative Commission on Data Practices and Personal Data Privacy; establishing a 911 telecommunicator working group to establish statewide standards for training and certification; directing the Sentencing Guidelines Commission to increase the rankings for certain child pornography crimes in a specified manner; establishing the crime of child torture; increasing penalties for certain human trafficking offenses; increasing penalties for patrons of prostitutes; increasing penalties for certain trespassing offenses; modifying and clarifying criminal sexual conduct provisions; creating a new crime of sexual extortion; imposing criminal penalties; requiring reports and studies; amending Minnesota Statutes 2020, sections

2.722, subdivision 1; 243.166, subdivision 1b; 244.065; 299A.52, subdivision 2; 299C.80, subdivision 3; 340A.504, subdivision 7; 363A.36, subdivision 2; 363A.44, subdivision 2; 403.11, subdivision 1; 477A.03, subdivision 2b; 609.1095, subdivision 1; 609.131, subdivision 2; 609.2325; 609.322, subdivisions 1, 1a; 609.324, subdivisions 2, 4; 609.3241; 609.341, subdivisions 3, 7, 11, 12, 14, 15, by adding subdivisions; 609.342; 609.343; 609.344; 609.345; 609.3451; 609.3455; 609.3459; 609.347, by adding a subdivision; 609.352, subdivision 4; 609.605, subdivision 2; 611.27, subdivisions 9, 10, 11, 13, 15; 628.26; Laws 2017, chapter 95, article 3, section 30; Laws 2020, Seventh Special Session chapter 2, article 2, section 4; proposing coding for new law in Minnesota Statutes, chapters 3; 241; 609; repealing Minnesota Statutes 2020, section 609.324, subdivision 3.

The bill, as amended, was placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 70 yeas and 63 nays as follows:

Those who voted in the affirmative were:

Acomb	Edelson	Hausman	Liebling	Murphy	Sundin
Agbaje	Elkins	Her	Lillie	Nelson, M.	Thompson
Bahner	Feist	Hollins	Lippert	Noor	Vang
Becker-Finn	Fischer	Hornstein	Lislegard	Olson, L.	Wazlawik
Berg	Frazier	Howard	Long	Pelowski	Winkler
Bernardy	Frederick	Huot	Mariani	Pinto	Wolgamott
Bierman	Freiberg	Jordan	Marquart	Pryor	Xiong, J.
Boldon	Gomez	Keeler	Masin	Reyer	Xiong, T.
Carlson	Greenman	Klevorn	Miller	Richardson	Youakim
Christensen	Hansen, R.	Koegel	Moller	Sandell	Spk. Hortman
Davnie	Hanson, J.	Kotyza-Witthuhn	Moran	Sandstede	
Ecklund	Hassan	Lee	Morrison	Schultz	

Those who voted in the negative were:

Akland	Daudt	Gruenhagen	Kresha	Novotny	Robbins
Albright	Davids	Haley	Lucero	O'Driscoll	Schomacker
Anderson	Demuth	Hamilton	Lueck	Olson, B.	Scott
Backer	Dettmer	Heinrich	McDonald	O'Neill	Swedzinski
Bahr	Drazkowski	Heintzeman	Mekeland	Petersburg	Theis
Baker	Erickson	Hertaus	Mortensen	Pfarr	Torkelson
Bennett	Franke	Igo	Mueller	Pierson	Urdahl
Bliss	Franson	Johnson	Munson	Poston	West
Boe	Garofalo	Jurgens	Nash	Quam	
Burkel	Green	Kiel	Nelson, N.	Raleigh	
Daniels	Grossell	Koznick	Neu Brindley	Rasmusson	

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

S. F. No. 958 was reported to the House.

LAY ON THE TABLE

Winkler moved that S. F. No. 958 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS

Olson, L., moved that the name of Lee be added as an author on H. F. No. 1192. The motion prevailed.

Vang moved that the name of Huot be added as an author on H. F. No. 1430. The motion prevailed.

Freiberg moved that the name of Xiong, J., be added as an author on H. F. No. 2457. The motion prevailed.

Lueck moved that the names of Poston, Grossell and Bliss be added as authors on H. F. No. 2537. The motion prevailed.

Xiong, J., moved that the name of Freiberg be added as an author on House Resolution No. 6. The motion prevailed.

ADJOURNMENT

Winkler moved that when the House adjourns today it adjourn until 11:30 a.m., Thursday, April 22, 2021. The motion prevailed.

Winkler moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 11:30 a.m., Thursday, April 22, 2021.

PATRICK D. MURPHY, Chief Clerk, House of Representatives