

FIFTY-SECOND DAY

St. Paul, Minnesota, Wednesday, April 19, 2023

The Senate met at 12:00 noon and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Pastor Kyle Jackson.

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

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

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

The President declared a quorum present.

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has appointed a committee of five members of the House to act with a similar committee on the part of the Senate to escort the Governor to the Joint Convention to be held in the House Chamber on Wednesday, April 19, 2023, said Joint Convention to be convened at 6:45 p.m., and said message of the Governor to be delivered at 7:00 p.m.

Clardy, Finke, Pursell, Torkelson and Urdahl have been appointed as such committee on the part of the House.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted April 18, 2023

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2073:

H.F. No. 2073: A bill for an act relating to higher education; providing funding and policy related changes for the Office of Higher Education, Minnesota State Colleges and Universities, the University of Minnesota, and the Mayo Clinic; creating and modifying certain scholarships and student aid programs; creating and modifying grant programs to higher education institutions; establishing the Inclusive Higher Education Technical Assistance Center; creating a direct admissions program; providing aid to postsecondary institutions for unemployment insurance; establishing higher education bonding policy; requiring financial review of nonprofit grant recipients; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 136A.101, subdivisions 5a, 7; 136A.121, subdivisions 6, 9, 13; 136A.1241, subdivision 5; 136A.125, subdivision 4; 136A.126, subdivision 4; 136A.1312; 136A.1791, subdivision 3a; 136A.246, subdivisions 4, 5, 6, 8; 136F.04, subdivision 1; 136F.38, subdivisions 3, 4, 5; 175.45, subdivision 1; 354B.23, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 135A; 136A; 268; repealing Minnesota Statutes 2022, sections 136F.03; 136F.38, subdivision 2.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Pelowski, Wolgamott and O'Neill have been appointed as such committee on the part of the House.

House File No. 2073 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted April 18, 2023

Senator Fateh moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2073, and that a Conference Committee of 3 members be appointed by the Subcommittee on Conference Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1999:

H.F. No. 1999: 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 prior appropriations; modifying provisions related to outdoor heritage fund and parks and trails fund; modifying Clean Water Legacy Act; requiring financial review of certain grant recipients; requiring reports; amending Minnesota Statutes 2022, sections 85.53, subdivision 2, by adding a subdivision; 85.536, subdivisions 1, 2; 97A.056, subdivisions 2, 11, 22; 114D.20, subdivision 2; 114D.30, subdivisions 4, 6, 7; 114D.50, subdivision 4; 129D.17, by adding subdivisions; Laws 2020, chapter 104, article 1, section 2, subdivision 5, as amended.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Lillie, Hussein, Her, Cha and Backer have been appointed as such committee on the part of the House.

House File No. 1999 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted April 18, 2023

Senator Hawj moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1999, and that a Conference Committee of 5 members be appointed by the Subcommittee on Conference Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 1826.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted April 18, 2023

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 1826: A bill for an act relating to state government; designating the state fire museum; making provisions for legislative day, legislative reports, legislative provisions, Executive Council, data practices, state civil service, ADA coordinators, and notary; defining appointing authority; providing changes covering state agencies, legislative salary council, and MMB accounting system; clarifying capital asset preservation; establishing the Office of Collaboration and Dispute Resolution and the Office of Enterprise Sustainability; changing certain state procurement provisions; making changes to state personnel management; requiring provisions for disability recruitment, hiring, and advancement; requiring accessibility standards; changing Board of Regents provisions; changing provisions for civil marriages, holidays, Mississippi River Parkway Commission, certain closed

meetings proceedings, and service worker standards; changing certain information technology and cybersecurity provisions; making local government provision changes; establishing the Ramsey County and Anoka County Library Advisory Boards; establishing the construction manager at risk method of project delivery; allowing managed natural landscapes; allowing municipal hotel licensing; requiring reporting of buildings that do not have sprinkler systems; implementing the Municipal Building Commission dissolution; requiring reports; amending Minnesota Statutes 2022, sections 3.011; 3.012; 3.195, subdivision 1; 3.303, subdivision 6; 3.855, subdivisions 2, 3, 5; 3.888, subdivision 5, by adding subdivisions; 9.031, subdivision 3; 13.04, subdivision 4; 13D.02, subdivision 1; 15.0597, subdivisions 1, 4, 5, 6; 15.066, by adding a subdivision; 15A.0825, subdivisions 1, 2, 3, 4; 16A.055, by adding a subdivision; 16A.15, subdivision 3; 16A.632, subdivision 2; 16B.307, subdivision 1; 16B.33, subdivisions 1, 3, 3a, by adding a subdivision; 16B.58, by adding a subdivision; 16C.10, subdivision 2; 16C.251; 16C.32, subdivision 1; 16C.36; 16E.01, subdivisions 1a, 3, by adding a subdivision; 16E.016; 16E.03, subdivisions 2, 4a, by adding a subdivision; 43A.01, subdivision 2; 43A.02, by adding subdivisions; 43A.04, subdivisions 1a, 4, 7; 43A.06, subdivision 1; 43A.09; 43A.10, subdivisions 2a, 7; 43A.14; 43A.15, subdivision 14, by adding a subdivision; 43A.17, by adding a subdivision; 43A.18, subdivisions 1, 9; 43A.19, subdivision 1; 43A.191; 43A.21, subdivisions 1, 2, 3, by adding a subdivision; 43A.36, subdivision 1; 43A.421; 118A.09, subdivisions 1, 2, 3; 137.0245, subdivision 2, by adding a subdivision; 138.081, subdivision 3; 138.665, subdivision 2; 161.1419, subdivision 2; 179A.22, subdivision 4; 351.01, subdivision 2; 357.17; 359.04; 364.021; 364.06, subdivision 1; 383B.145, by adding a subdivision; 471.345, by adding a subdivision; 473.606, subdivision 5; 473.704, subdivision 3; 507.0945; 517.04; 645.44, subdivision 5, as amended; proposing coding for new law in Minnesota Statutes, chapters 1; 16B; 43A; 118A; 134; 359; 383B; 412; 471; repealing Minnesota Statutes 2022, sections 15.0395; 16B.24, subdivision 13; 16E.0466, subdivision 2; 43A.17, subdivision 9; 136F.03; 179.90; 179.91; 383B.143, subdivisions 2, 3; 383B.75; 383B.751; 383B.752; 383B.753; 383B.754.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1424, now on General Orders.

REPORTS OF COMMITTEES

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

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

H.F. No. 1937 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1937	2247				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 1937 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1937, the third engrossment; and insert the language after the enacting clause of S.F. No. 2247, the second engrossment; further,

delete the title of H.F. No. 1937, the third engrossment; and insert the title of S.F. No. 2247, the second engrossment.

And when so amended H.F. No. 1937 will be identical to S.F. No. 2247, and further recommends that H.F. No. 1937 be given its second reading and substituted for S.F. No. 2247, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 1830 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1830	1426				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 1830 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1830, the third engrossment; and insert the language after the enacting clause of S.F. No. 1426, the second engrossment; further, delete the title of H.F. No. 1830, the third engrossment; and insert the title of S.F. No. 1426, the second engrossment.

And when so amended H.F. No. 1830 will be identical to S.F. No. 1426, and further recommends that H.F. No. 1830 be given its second reading and substituted for S.F. No. 1426, and that the Senate File be indefinitely postponed.

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

SECOND READING OF HOUSE BILLS

H.F. Nos. 1937 and 1830 were read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senators Farnsworth, Eichorn, Mitchell, and Wesenberg introduced--

S.F. No. 3279: A bill for an act relating to capital investment; appropriating money for a grant to Forgotten Heroes Ranges and Retreat.

Referred to the Committee on Capital Investment.

Senators Lucero, Drazkowski, Wesenberg, Lieske, and Housley introduced--

S.F. No. 3280: A bill for an act relating to health; providing criminal penalties for health care practitioners who perform or cause to be performed specified practices on a minor under certain conditions; proposing coding for new law in Minnesota Statutes, chapter 145.

Referred to the Committee on Health and Human Services.

Senators Nelson, Utke, Housley, and Draheim introduced--

S.F. No. 3281: A bill for an act relating to health occupations; creating a Nurse Licensure Compact; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 148.

Referred to the Committee on Health and Human Services.

Senators Farnsworth and Johnson introduced--

S.F. No. 3282: A bill for an act relating to capital investment; appropriating money for Independent School District No. 319, Nashwauk-Keewatin, and Independent School District No. 2906, Red Lake County Central; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senators Dibble and Nelson introduced--

S.F. No. 3283: A bill for an act relating to taxation; tax-forfeited land sales; requiring payment to former owner of any remaining balance after sale of tax-forfeited property and payment of canceled taxes; amending Minnesota Statutes 2022, sections 282.05; 282.08.

Referred to the Committee on Taxes.

Senator Pratt introduced--

S.F. No. 3284: A bill for an act relating to capital investment; appropriating money to line a drainage pipe through the Prior Lake Outlet Channel; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Koran introduced--

S.F. No. 3285: A bill for an act relating to elections; changing the date of the state primary from August to March; changing the date of primary elections conducted by a political subdivision in certain circumstances; repealing laws governing political party precinct caucuses; amending Minnesota Statutes 2022, sections 204B.14, subdivision 2; 204B.21, subdivision 1; 204D.03, subdivision 1; 204D.09, subdivision 1; 204D.28, subdivision 5; 205.065, subdivisions 1, 2; 205A.03, subdivisions 1, 2; 205A.06, subdivision 1a; 205A.11, subdivision 2a; 206.61, subdivision 5; 206.82, subdivision 2; repealing Minnesota Statutes 2022, sections 202A.01; 202A.11; 202A.12; 202A.13;

202A.135; 202A.14; 202A.15; 202A.155; 202A.156; 202A.16; 202A.18; 202A.19; 202A.192; 202A.20.

Referred to the Committee on Elections.

Senator Morrison introduced--

S.F. No. 3286: A bill for an act relating to capital investment; appropriating money for water infrastructure improvements in the city of Minnetrista; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Frentz introduced--

S.F. No. 3287: A bill for an act relating to capital investment; appropriating money for the city of Skyline to replace water infrastructure; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Carlson introduced--

S.F. No. 3288: A bill for an act relating to public safety; providing for a process to review case files of cold case homicides at the request of certain family members and to potentially conduct reinvestigations of these cases; requiring a report; proposing coding for new law in Minnesota Statutes, chapter 299C.

Referred to the Committee on Judiciary and Public Safety.

Senator Howe introduced--

S.F. No. 3289: A bill for an act relating to state government; establishing a 250th Anniversary Commemoration Commission; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 138.

Referred to the Committee on State and Local Government and Veterans.

MOTIONS AND RESOLUTIONS

Senator Westlin moved that the name of Senator Maye Quade be added as a co-author to S.F. No. 418. The motion prevailed.

Senator Westlin moved that the name of Senator Pha be added as a co-author to S.F. No. 1070. The motion prevailed.

Senator Drazkowski moved that the name of Senator Jasinski be added as a co-author to S.F. No. 1792. The motion prevailed.

Senators Dzedzic and Kunesh introduced --

Senate Resolution No. 44: A Senate resolution relating to appointment of a committee to escort the Governor to the House Chamber for a Joint Convention.

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

The President of the Senate must appoint a committee of five members of the Senate to act with a like committee on the part of the House of Representatives to escort the Honorable Tim Walz, Governor of the State of Minnesota, to the House Chamber on the occasion of the Joint Convention on Wednesday, April 19, 2023, at 6:45 p.m.

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

APPOINTMENTS

Pursuant to the foregoing resolution, the President made the following appointments:

Senators Coleman, Kreun, Kupec, Mohamed, and Pha.

MOTIONS AND RESOLUTIONS - CONTINUED**SPECIAL ORDERS**

Pursuant to Rule 26, Senator Kunesh, designee of the Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

S.F. No. 2995.

SPECIAL ORDER

S.F. No. 2995: A bill for an act relating to state government; modifying provisions governing child care, child safety and permanency, child support, economic assistance, deep poverty, housing and homelessness, behavioral health, the medical education and research cost account, MinnesotaCare, medical assistance, background studies, and human services licensing; establishing the Department of Children, Youth, and Families; making technical and conforming changes; establishing requirements for hospital nurse staffing committees and hospital nurse workload committees; modifying requirements of hospital core staffing plans; modifying requirements related to hospital preparedness and incident response action plans to acts of violence; modifying eligibility for the health professional education loan forgiveness program; establishing the Health Care Affordability Board and Health Care Affordability Advisory Council; establishing prescription contraceptive supply requirement; requiring health plan coverage of prescription contraceptives, certain services provided by a pharmacist, infertility treatment, treatment of rare diseases and conditions, and biomarker testing; modifying managed care withhold requirements; establishing filing requirements for a health plan's prescription drug formulary and for items and services provided by medical and dental practices; establishing notice and disclosure requirements for certain health care transactions; extending moratorium on certain conversion transactions; requiring disclosure of facility fees for

telehealth; modifying provisions relating to the eligibility of undocumented children for MinnesotaCare and of children for medical assistance; prohibiting a medical assistance benefit plan from including cost-sharing provisions; authorizing a MinnesotaCare buy-in option; assessing alternative payment methods in rural health care; assessing feasibility for a health care provider directory; requiring compliance with the No Surprises Act in billing; modifying prescription drug price provisions and continuity of care provisions; compiling health encounter data; modifying all-payer claims data provisions; establishing certain advisory councils, committees, public awareness campaigns, apprenticeship programs, and grant programs; modifying lead testing and remediation requirements; establishing Minnesota One Health Microbial Stewardship Collaborative and cultural communications program; providing for clinical health care training; establishing a climate resiliency program; changing assisted living provisions; establishing a program to monitor long COVID, a 988 suicide crisis lifeline, school-based health centers, Healthy Beginnings, Healthy Families Act, and Comprehensive and Collaborative Resource and Referral System for Children; establishing a moratorium on green burials; regulating submerged closed-loop exchanger systems; establishing a tobacco use prevention account; amending provisions relating to adoptee birth records access; establishing Office of African American Health; establishing Office of American Indian Health; changing certain health board fees; establishing easy enrollment health insurance outreach program; establishing a state-funded cost-sharing reduction program for eligible persons enrolled in certain qualified health plans; setting certain fees; requiring reports; authorizing attorney general and commissioner of health review and enforcement of certain health care transactions; authorizing rulemaking; transferring money; allocating funds for a specific purpose; making forecast adjustments; appropriating money for the Department of Human Services, Department of Health, health-related boards, emergency medical services regulatory board, ombudsperson for families, ombudsperson for American Indian families, Office of the Foster Youth Ombudsperson, Rare Disease Advisory Council, Department of Revenue, Department of Management and Budget, Department of Children, Youth and Families, Department of Commerce, and Health Care Affordability Board; amending Minnesota Statutes 2022, sections 4.045; 10.65, subdivision 2; 13.10, subdivision 5; 13.46, subdivision 4; 13.465, subdivision 8; 15.01; 15.06, subdivision 1; 15A.0815, subdivision 2; 16A.151, subdivision 2; 43A.08, subdivision 1a; 62A.02, subdivision 1; 62A.045; 62A.15, subdivision 4, by adding a subdivision; 62A.30, by adding subdivisions; 62A.673, subdivision 2; 62J.497, subdivisions 1, 3; 62J.692, subdivisions 1, 3, 4, 5, 8; 62J.824; 62J.84, subdivisions 2, 3, 4, 6, 7, 8, 9, by adding subdivisions; 62K.10, subdivision 4; 62K.15; 62U.04, subdivisions 4, 5, 5a, 11, by adding subdivisions; 62U.10, subdivision 7; 103I.005, subdivisions 17a, 20a, by adding a subdivision; 103I.208, subdivision 2; 119B.011, subdivisions 2, 5, 13, 19a; 119B.025, subdivision 4; 119B.03, subdivision 4a; 119B.125, subdivisions 1, 1a, 1b, 2, 3, 4, 6, 7; 119B.13, subdivisions 1, 6; 119B.16, subdivisions 1a, 1c, 3; 119B.161, subdivisions 2, 3; 119B.19, subdivision 7; 121A.335, subdivisions 3, 5, by adding a subdivision; 144.05, by adding a subdivision; 144.122; 144.1501, subdivisions 1, 2, 3, 4, 5; 144.1506, subdivision 4; 144.218, subdivisions 1, 2; 144.225, subdivision 2; 144.2252; 144.226, subdivisions 3, 4; 144.566; 144.608, subdivision 1; 144.651, by adding a subdivision; 144.653, subdivision 5; 144.7055; 144.7067, subdivision 1; 144.9501, subdivision 9; 144E.001, subdivision 1, by adding a subdivision; 144E.35; 145.4716, subdivision 3; 145.87, subdivision 4; 145.924; 145A.131, subdivisions 1, 2, 5; 145A.14, by adding a subdivision; 147A.08; 148B.392, subdivision 2; 150A.08, subdivisions 1, 5; 150A.091, by adding a subdivision; 150A.13, subdivision 10; 151.065, subdivisions 1, 2, 3, 4, 6; 151.071, subdivision 2; 151.555; 151.74, subdivisions 3, 4; 152.126, subdivisions 4, 5, 6, 9; 245.095; 245.4663, subdivision 4; 245.4889, subdivision 1; 245.735, subdivisions 3, 6, by adding a subdivision; 245A.02, subdivision 2c; 245A.04, subdivisions 1, 7a; 245A.05; 245A.055, subdivision 2; 245A.06, subdivisions 1, 2, 4; 245A.07, subdivision 3; 245A.16,

by adding a subdivision; 245A.50, subdivisions 3, 4, 5, 6, 9; 245C.02, subdivision 13e, by adding subdivisions; 245C.03, subdivisions 1, 1a; 245C.031, subdivision 1; 245C.04, subdivision 1; 245C.05, subdivisions 1, 2c, 4; 245C.08, subdivision 1; 245C.10, subdivisions 2, 2a, 3, 4, 5, 6, 8, 9, 9a, 10, 11, 12, 13, 14, 15, 16, 17, 20, 21; 245C.15, subdivision 2, by adding a subdivision; 245C.17, subdivisions 2, 3, 6; 245C.21, subdivisions 1a, 2; 245C.22, subdivision 7; 245C.23, subdivisions 1, 2; 245C.24, subdivision 2; 245C.30, subdivision 2; 245C.32, subdivision 2; 245E.06, subdivision 3; 245G.03, subdivision 1; 245H.01, subdivision 3, by adding a subdivision; 245H.03, subdivisions 2, 4; 245H.06, subdivisions 1, 2; 245H.07, subdivisions 1, 2; 245I.011, subdivision 3; 245I.20, subdivisions 10, 13, 14, 16; 254B.02, subdivision 5; 256.01, by adding a subdivision; 256.014, subdivisions 1, 2; 256.046, subdivision 3; 256.0471, subdivision 1; 256.962, subdivision 5; 256.969, subdivisions 2b, 9, 25, by adding a subdivision; 256.983, subdivision 5; 256B.04, by adding a subdivision; 256B.055, subdivision 17; 256B.056, subdivision 7; 256B.0625, subdivisions 9, 13, 13c, 13f, 13g, 28b, 30, 31, 34, 49, by adding subdivisions; 256B.0631, subdivision 2, by adding a subdivision; 256B.0941, by adding a subdivision; 256B.196, subdivision 2; 256B.69, subdivisions 4, 5a, 6d, 28, 36, by adding subdivisions; 256B.692, subdivision 1; 256B.75; 256B.758; 256B.76, as amended; 256B.761; 256B.764; 256D.01, subdivision 1a; 256D.024, subdivision 1; 256D.03, by adding a subdivision; 256D.06, subdivision 5; 256D.44, subdivision 5; 256D.63, subdivision 2; 256E.34, subdivision 4; 256E.35, subdivisions 1, 2, 3, 4a, 6, 7; 256I.03, subdivisions 7, 13; 256I.04, subdivision 1; 256I.06, subdivisions 6, 8, by adding a subdivision; 256J.08, subdivisions 71, 79; 256J.11, subdivision 1; 256J.21, subdivisions 3, 4; 256J.26, subdivision 1; 256J.33, subdivisions 1, 2; 256J.35; 256J.37, subdivisions 3, 3a; 256J.425, subdivisions 1, 4, 5, 7; 256J.46, subdivisions 1, 2, 2a; 256J.95, subdivision 19; 256L.03, subdivision 5; 256L.04, subdivisions 7a, 10, by adding a subdivision; 256L.07, subdivision 1; 256L.15, subdivision 2; 256N.26, subdivision 12; 256P.01, by adding subdivisions; 256P.02, subdivision 2, by adding subdivisions; 256P.04, subdivisions 4, 8; 256P.06, subdivision 3, by adding a subdivision; 256P.07, subdivisions 1, 2, 3, 4, 6, 7, by adding subdivisions; 259.83, subdivisions 1, 1a, 1b, by adding a subdivision; 260.761, subdivision 2, as amended; 260C.007, subdivisions 6, 14; 260C.317, subdivision 4; 260C.80, subdivision 1; 260E.01; 260E.02, subdivision 1; 260E.03, subdivision 22, by adding subdivisions; 260E.09; 260E.14, subdivisions 2, 5; 260E.17, subdivision 1; 260E.18; 260E.20, subdivision 2; 260E.24, subdivisions 2, 7; 260E.33, subdivision 1; 260E.35, subdivision 6; 270B.14, subdivision 1, by adding a subdivision; 297F.10, subdivision 1; 403.161, subdivisions 1, 3, 5, 6, 7; 403.162, subdivisions 1, 2, 5; 518A.31; 518A.32, subdivisions 3, 4; 518A.34; 518A.41; 518A.42, subdivisions 1, 3; 518A.65; 518A.77; 524.5-118; 609B.425, subdivision 2; 609B.435, subdivision 2; Laws 2017, First Special Session chapter 6, article 5, section 11, as amended; Laws 2021, First Special Session chapter 7, article 6, section 26; article 16, sections 2, subdivision 32, as amended; 3, subdivision 2, as amended; article 17, section 5, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 62A; 62D; 62J; 62Q; 62V; 103I; 119B; 144; 144E; 145; 148; 245; 245C; 256B; 256E; 256K; 256N; 256P; 260; 290; proposing coding for new law as Minnesota Statutes, chapter 143; repealing Minnesota Statutes 2022, sections 62J.692, subdivisions 4a, 7, 7a; 119B.03, subdivision 4; 137.38, subdivision 1; 144.059, subdivision 10; 144.212, subdivision 11; 245C.02, subdivision 14b; 245C.032; 245C.11, subdivision 3; 245C.30, subdivision 1a; 256.8799; 256.9864; 256B.0631, subdivisions 1, 2, 3; 256B.69, subdivision 5c; 256J.08, subdivisions 10, 53, 61, 62, 81, 83; 256J.30, subdivisions 5, 7, 8; 256J.33, subdivisions 3, 4, 5; 256J.34, subdivisions 1, 2, 3, 4; 256J.37, subdivision 10; 256J.425, subdivision 6; 259.83, subdivision 3; 259.89; 260C.637.

Senator Rasmusson moved to amend S.F. No. 2995 as follows:

Page 258, after line 8, insert:

"Sec. 5. Minnesota Statutes 2022, section 148.56, subdivision 1, is amended to read:

Subdivision 1. **Optometry defined.** (a) Any person shall be deemed to be practicing optometry within the meaning of sections 148.52 to 148.62 who shall in any way:

- (1) advertise as an optometrist;
- (2) employ any means, including the use of autorefractors or other automated testing devices, for the measurement of the powers of vision or the adaptation of lenses or prisms for the aid thereof;
- (3) possess testing appliances for the purpose of the measurement of the powers of vision;
- (4) diagnose any disease, optical deficiency or deformity, or visual or muscular anomaly of the visual system consisting of the human eye and its accessory or subordinate anatomical parts;
- (5) prescribe lenses, including plano or cosmetic contact lenses, or prisms for the correction or the relief of same;
- (6) employ or prescribe ocular exercises, orthoptics, or habilitative and rehabilitative therapeutic vision care; or
- (7) prescribe or administer legend drugs to aid in the diagnosis, cure, mitigation, prevention, treatment, or management of disease, deficiency, deformity, or abnormality of the human eye and adnexa included in the curricula of accredited schools or colleges of optometry, and as limited by Minnesota statute and adopted rules by the Board of Optometry, or who holds oneself out as being able to do so.

(b) In the course of treatment, nothing in this section shall allow:

- (1) ~~legend drugs to be administered intravenously, intramuscularly, or by injection, except for treatment of anaphylaxis~~ intravitreal injections;
- (2) invasive surgery including, but not limited to, surgery using lasers;
- (3) Schedule II and III oral legend drugs ~~and oral steroids~~ to be administered or prescribed; or
- (4) oral ~~antivirals to be prescribed or administered for more than ten days; or~~ steroids to be prescribed or administered for more than 14 days without consultation with a physician.
- ~~(5) oral carbonic anhydrase inhibitors to be prescribed or administered for more than seven days."~~

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

CALL OF THE SENATE

Senator Rasmusson imposed a call of the Senate for the balance of the proceedings on the Rasmusson amendment to S.F. No. 2995. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Rasmusson amendment.

The roll was called, and there were yeas 38 and nays 28, as follows:

Those who voted in the affirmative were:

Abeler	Duckworth	Housley	Lieske	Rarick
Anderson	Eichorn	Howe	Limmer	Rasmusson
Bahr	Farnsworth	Jasinski	Lucero	Utke
Coleman	Green	Johnson	Mathews	Weber
Dahms	Gruenhagen	Koran	Maye Quade	Wesenberg
Dornink	Gustafson	Kreun	Nelson	Westrom
Draheim	Hauschild	Kupec	Port	
Draskowski	Hoffman	Lang	Pratt	

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senator: Gustafson.

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

Those who voted in the negative were:

Boldon	Fateh	Mann	Murphy	Seeberger
Carlson	Frentz	Marty	Oumou Verbeten	Westlin
Champion	Hawj	McEwen	Pappas	Wiklund
Cwodzinski	Klein	Mitchell	Pha	Xiong
Dibble	Kunesh	Mohamed	Putnam	
Dziedzic	Latz	Morrison	Rest	

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

The motion prevailed. So the amendment was adopted.

Senator Wiklund moved to amend S.F. No. 2995 as follows:

Page 149, line 10, after the period, insert "The commissioner of management and budget may obtain any relevant data from any state agency necessary to conduct this evaluation under Minnesota Statutes, section 15.08."

Page 149, line 17, delete "2027" and insert "2029"

Page 325, delete section 47 and insert:

"Sec. 47. **REPEALER.**

(a) Minnesota Statutes 2022, sections 245C.02, subdivision 14b; 245C.031, subdivisions 5, 6, and 7; 245C.032; and 245C.30, subdivision 1a, are repealed.

(b) Minnesota Statutes 2022, section 245C.11, subdivision 3, is repealed.

EFFECTIVE DATE. Paragraph (a) is effective August 1, 2023, and paragraph (b) is effective April 28, 2025."

Page 615, line 7, before the period, insert "and is available until June 30, 2029"

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 52 and nays 10, as follows:

Those who voted in the affirmative were:

Abeler	Dziedzic	Kreun	Mitchell	Rest
Boldon	Farnsworth	Kunesh	Morrison	Seeberger
Carlson	Frentz	Kupec	Murphy	Utke
Champion	Gruenhagen	Lang	Nelson	Weber
Coleman	Gustafson	Latz	Pappas	Westlin
Cwodzinski	Hauschild	Lieske	Pha	Westrom
Dahms	Hoffman	Limmer	Port	Wiklund
Dibble	Housley	Mann	Pratt	Xiong
Dornink	Jasinski	Marty	Putnam	
Draheim	Johnson	Maye Quade	Rarick	
Duckworth	Klein	McEwen	Rasmusson	

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Dziedzic and Gustafson.

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

Those who voted in the negative were:

Anderson	Drazkowski	Green	Koran	Mathews
Bahr	Eichorn	Howe	Lucero	Wesenberg

The motion prevailed. So the amendment was adopted.

Senator Pratt moved to amend S.F. No. 2995 as follows:

Page 4, after line 17, insert:

"Sec. 3. Minnesota Statutes 2022, section 256.9655, is amended by adding a subdivision to read:

Subd. 3. **Prompt payment required.** (a) In paying claims under medical assistance, the commissioner shall comply with Code of Federal Regulations, title 42, section 447.45.

(b) If the commissioner does not pay or deny a clean claim within the period provided in paragraph (a), the commissioner must pay interest on the claim for the period beginning on the day after the required payment date specified in paragraph (a) and ending on the date on which the commissioner makes the payment or denies the claim.

(c) The rate of interest paid by the commissioner under this subdivision shall be 1.5 percent per month or any part of a month.

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 prevailed. So the amendment was adopted.

Senator Gruenhagen moved to amend S.F. No. 2995 as follows:

Page 559, delete section 16

Page 560, delete sections 18 and 19

Page 561, delete section 20

Page 564, delete section 25

Page 566, delete sections 26 and 27

Page 567, delete section 28

Page 571, delete section 32

Page 573, line 22, delete "2,777,291,000" and insert "2,779,106,000" and delete "2,710,181,000" and insert "2,714,961,000"

Page 577, line 21, delete "255,556,000" and insert "246,301,000" and delete "242,971,000" and insert "234,804,000"

Page 579, line 19, delete "\$234,129,000" and insert "\$230,712,000"

Page 579, line 20, delete "\$233,067,000" and insert "\$225,107,000"

Page 593, line 24, delete "39,180,000" and insert "50,250,000" and delete "35,326,000" and insert "48,273,000"

Page 595, after line 10, insert:

"(h) School-linked mental health grants.
\$11,070,000 in fiscal year 2024 and
\$12,947,000 in fiscal year 2025 are for
school-linked mental health grants under
Minnesota Statutes, section 245.4901. The
base for this appropriation is \$3,997,000 in
fiscal year 2026 and \$7,960,000 in fiscal year
2027."

Page 595, line 11, delete "(h)" and insert "(i)"

Page 595, line 12, delete "\$35,026,000" and insert "\$39,023,000"

Page 595, line 13, delete "\$35,026,000" and insert "\$42,986,000"

Page 595, line 34, delete "295,036,000" and insert "293,221,000" and delete "269,339,000" and insert "268,759,000"

Page 604, delete lines 4 to 10

Reletter the paragraphs in sequence

Page 608, line 13, delete "\$34,020,000" and insert "\$33,440,000"

Page 613, line 17, delete "45,526,000" and insert "41,326,000"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 31 and nays 34, as follows:

Those who voted in the affirmative were:

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

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

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Boldon cast the negative vote on behalf of the following Senators:
Dziedzic and Gustafson.

The motion did not prevail. So the amendment was not adopted.

Senator Gruenhagen moved to amend S.F. No. 2995 as follows:

Page 207, delete section 51, and insert:

"Sec. 51. [145.903] SCHOOL-BASED HEALTH CARE; PROHIBITION.

A school must not establish a relationship with a school-based health center. For purposes of this section, a "school-based health center" is a health care delivery model that is located in or near a school facility and that offers health care provided by licensed and qualified health professionals who are not school employees and are provided in accordance with federal, state, and local law."

Page 573, line 19, delete "3,937,170,000" and insert "3,940,534,000" and delete "4,182,045,000" and insert "4,188,011,000"

Page 593, line 24, delete "39,180,000" and insert "42,544,000" and delete "35,326,000" and insert "41,292,000"

Page 595, after line 10, insert:

"(h) School-linked mental health grants. \$1,432,000 in fiscal year 2024 and \$1,932,000 in fiscal year 2025 are for school-linked mental health grants under Minnesota Statutes, section 245.4901. The base for this appropriation is \$2,983,000 in fiscal year 2026 and \$2,983,000 in fiscal year 2027."

Page 595, line 11, delete "(h)" and insert "(i)"

Page 595, line 31, delete "442,138,000" and insert "438,774,000" and delete "423,582,000" and insert "417,616,000"

Page 596, line 10, delete "232,717,000" and insert "229,353,000" and delete "206,576,000" and insert "200,610,000"

Page 600, delete lines 14 to 17

Reletter the paragraphs in sequence

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 31 and nays 34, as follows:

Those who voted in the affirmative were:

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

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

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Boldon cast the negative vote on behalf of the following Senators:
Dziedzic and Gustafson.

The motion did not prevail. So the amendment was not adopted.

Senator Lieske moved to amend S.F. No. 2995 as follows:

Page 208, line 14, after "(a)" insert "School-based health center services must comply with all laws relating to consent of minors for health services, including but not limited to, sections 144.341 to 144.347."

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

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

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

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Boldon cast the negative vote on behalf of the following Senators:
Dziedzic, Gustafson, and McEwen.

The motion did not prevail. So the amendment was not adopted.

Senator Nelson moved to amend S.F. No. 2995 as follows:

Page 258, after line 8, insert:

"Sec. 5. [148.2855] NURSE LICENSURE COMPACT.

The Nurse Licensure Compact is enacted into law and entered into with all other jurisdictions legally joining in it, in the form substantially as follows:

ARTICLE 1

DEFINITIONS

As used in this compact:

(a) "Adverse action" means any administrative, civil, equitable, or criminal action permitted by a state's law that is imposed by a licensing board or other authority against a nurse, including actions against an individual's license or multistate licensure privilege such as revocation, suspension, probation, monitoring of the licensee, limitation on the licensee's practice, or any other encumbrance on licensure affecting a nurse's authorization to practice, including issuance of a cease and desist action.

(b) "Alternative program" means a nondisciplinary monitoring program approved by a licensing board.

(c) "Coordinated licensure information system" means an integrated process for collecting, storing, and sharing information on nurse licensure and enforcement activities related to nurse licensure laws that is administered by a nonprofit organization composed of and controlled by licensing boards.

(d) "Current significant investigative information" means:

(1) investigative information that a licensing board, after a preliminary inquiry that includes notification and an opportunity for the nurse to respond, if required by state law, has reason to believe is not groundless and, if proved true, would indicate more than a minor infraction; or

(2) investigative information that indicates that the nurse represents an immediate threat to public health and safety, regardless of whether the nurse has been notified and had an opportunity to respond.

(e) "Encumbrance" means a revocation or suspension of, or any limitation on, the full and unrestricted practice of nursing imposed by a licensing board.

(f) "Home state" means the party state that is the nurse's primary state of residence.

(g) "Licensing board" means a party state's regulatory body responsible for issuing nurse licenses.

(h) "Multistate license" means a license to practice as a registered or a licensed practical/vocational nurse (LPN/VN) issued by a home state licensing board that authorizes the licensed nurse to practice in all party states under a multistate licensure privilege.

(i) "Multistate licensure privilege" means a legal authorization associated with a multistate license permitting the practice of nursing as either a registered nurse (RN) or LPN/VN in a remote state.

(j) "Nurse" means an RN or LPN/VN, as those terms are defined by each party state's practice laws.

(k) "Party state" means any state that has adopted this compact.

(l) "Remote state" means a party state other than the home state.

(m) "Single-state license" means a nurse license issued by a party state that authorizes practice only within the issuing state and does not include a multistate licensure privilege to practice in any other party state.

(n) "State" means a state, territory, or possession of the United States and the District of Columbia.

(o) "State practice laws" means a party state's laws, rules, and regulations that govern the practice of nursing, define the scope of nursing practice, and create the methods and grounds for imposing discipline. State practice laws do not include requirements necessary to obtain and retain a license, except for qualifications or requirements of the home state.

ARTICLE 2

GENERAL PROVISIONS AND JURISDICTION

(a) A multistate license to practice registered or licensed practical/vocational nursing issued by a home state to a resident in that state will be recognized by each party state as authorizing a nurse to practice as an RN or LPN/VN under a multistate licensure privilege in each party state.

(b) A state must implement procedures for considering the criminal history records of applicants for initial multistate license or licensure by endorsement. The procedures shall include the submission of fingerprints or other biometric-based information by applicants for the purpose of obtaining an applicant's criminal history record information from the Federal Bureau of Investigation and the agency responsible for retaining that state's criminal records.

(c) Each party state shall require the following for an applicant to obtain or retain a multistate license in the home state:

(1) meets the home state's qualifications for licensure or renewal of licensure, as well as all other applicable state laws;

(2)(i) has graduated or is eligible to graduate from a licensing board-approved RN or LPN/VN prelicensure education program; or

(ii) has graduated from a foreign RN or LPN/VN prelicensure education program that:

(A) has been approved by the authorized accrediting body in the applicable country; and

(B) has been verified by an independent credentials review agency to be comparable to a licensing board-approved prelicensure education program;

(3) has, if a graduate of a foreign prelicensure education program not taught in English or if English is not the individual's native language, successfully passed an English proficiency examination that includes the components of reading, speaking, writing, and listening;

(4) has successfully passed an NCLEX-RN or NCLEX-PN Examination or recognized predecessor, as applicable;

(5) is eligible for or holds an active, unencumbered license;

(6) has submitted, in connection with an application for initial licensure or licensure by endorsement, fingerprints or other biometric data for the purpose of obtaining criminal history record information from the Federal Bureau of Investigation and the agency responsible for retaining that state's criminal records;

(7) has not been convicted or found guilty, or has entered into an agreed disposition, of a felony offense under applicable state or federal criminal law;

(8) has not been convicted or found guilty, or has entered into an agreed disposition, of a misdemeanor offense related to the practice of nursing as determined on a case-by-case basis;

(9) is not currently enrolled in an alternative program;

(10) is subject to self-disclosure requirements regarding current participation in an alternative program; and

(11) has a valid United States Social Security number.

(d) All party states shall be authorized, in accordance with existing state due process law, to take adverse action against a nurse's multistate licensure privilege such as revocation, suspension, probation, or any other action that affects a nurse's authorization to practice under a multistate licensure privilege, including cease and desist actions. If a party state takes such action, it shall promptly notify the administrator of the coordinated licensure information system. The administrator of the coordinated licensure information system shall promptly notify the home state of any such actions by remote states.

(e) A nurse practicing in a party state must comply with the state practice laws of the state in which the client is located at the time service is provided. The practice of nursing is not limited to patient care, but shall include all nursing practice as defined by the state practice laws of the party state in which the client is located. The practice of nursing in a party state under a multistate licensure privilege shall subject a nurse to the jurisdiction of the licensing board, the courts, and the laws of the party state in which the client is located at the time service is provided.

(f) Individuals not residing in a party state shall continue to be able to apply for a party state's single-state license as provided under the laws of each party state. However, the single-state license granted to these individuals will not be recognized as granting the privilege to practice nursing in

any other party state. Nothing in this compact shall affect the requirements established by a party state for the issuance of a single-state license.

(g) Any nurse holding a home state multistate license, on the effective date of this compact, may retain and renew the multistate license issued by the nurse's then-current home state, provided that:

(1) a nurse, who changes primary state of residence after this compact's effective date, must meet all applicable paragraph (c) requirements to obtain a multistate license from a new home state; or

(2) a nurse who fails to satisfy the multistate licensure requirements in paragraph (c) due to a disqualifying event occurring after this compact's effective date shall be ineligible to retain or renew a multistate license, and the nurse's multistate license shall be revoked or deactivated in accordance with applicable rules adopted by the Interstate Commission of Nurse Licensure Compact Administrators ("Commission").

ARTICLE 3

APPLICATIONS FOR LICENSURE IN A PARTY STATE

(a) Upon application for a multistate license, the licensing board in the issuing party state shall ascertain, through the coordinated licensure information system, whether the applicant has ever held or is the holder of a license issued by any other state, whether there are any encumbrances on any license or multistate licensure privilege held by the applicant, whether any adverse action has been taken against any license or multistate licensure privilege held by the applicant, and whether the applicant is currently participating in an alternative program.

(b) A nurse may hold a multistate license issued by the home state in only one party state at a time.

(c) If a nurse changes primary state of residence by moving between two party states, the nurse must apply for licensure in the new home state, and the multistate license issued by the prior home state will be deactivated in accordance with applicable rules adopted by the commission:

(1) the nurse may apply for licensure in advance of a change in primary state of residence; and

(2) a multistate license shall not be issued by the new home state until the nurse provides satisfactory evidence of a change in primary state of residence to the new home state and satisfies all applicable requirements to obtain a multistate license from the new home state.

(d) If a nurse changes primary state of residence by moving from a party state to a nonparty state, the multistate license issued by the prior home state will convert to a single-state license, valid only in the former home state.

ARTICLE 4ADDITIONAL AUTHORITIES INVESTED IN PARTY STATE LICENSING BOARDS

(a) In addition to the other powers conferred by state law, a licensing board shall have the authority to:

(1) take adverse action against a nurse's multistate licensure privilege to practice within that party state:

(i) only the home state shall have the power to take adverse action against a nurse's license issued by the home state; and

(ii) for purposes of taking adverse action, the home state licensing board shall give the same priority and effect to reported conduct received from a remote state as it would if the conduct occurred within the home state. In so doing, the home state shall apply its own state laws to determine appropriate action;

(2) issue cease and desist orders or impose an encumbrance on a nurse's authority to practice within that party state;

(3) complete any pending investigations of a nurse who changes primary state of residence during the course of the investigations. The licensing board shall also have the authority to take appropriate action and shall promptly report the conclusions of the investigations to the administrator of the coordinated licensure information system. The administrator of the coordinated licensure information system shall promptly notify the new home state of any such actions;

(4) issue subpoenas for hearings and investigations that require the attendance and testimony of witnesses, as well as the production of evidence. Subpoenas issued by a licensing board in a party state for the attendance and testimony of witnesses or the production of evidence from another party state shall be enforced in the latter state by any court of competent jurisdiction according to the practice and procedure of that court applicable to subpoenas issued in proceedings pending before it. The issuing authority shall pay any witness fees, travel expenses, mileage, and other fees required by the service statutes of the state in which the witnesses or evidence are located;

(5) obtain and submit, for each nurse licensure applicant, fingerprint or other biometric-based information to the Federal Bureau of Investigation for criminal background checks, receive the results of the Federal Bureau of Investigation record search on criminal background checks, and use the results in making licensure decisions;

(6) if otherwise permitted by state law, recover from the affected nurse the costs of investigations and disposition of cases resulting from any adverse action taken against that nurse; and

(7) take adverse action based on the factual findings of the remote state, provided that the licensing board follows its own procedures for taking such adverse action.

(b) If adverse action is taken by the home state against a nurse's multistate license, the nurse's multistate licensure privilege to practice in all other party states shall be deactivated until all encumbrances have been removed from the multistate license. All home state disciplinary orders

that impose adverse action against a nurse's multistate license shall include a statement that the nurse's multistate licensure privilege is deactivated in all party states during the pendency of the order.

(c) Nothing in this compact shall override a party state's decision that participation in an alternative program may be used in lieu of adverse action. The home state licensing board shall deactivate the multistate licensure privilege under the multistate license of any nurse for the duration of the nurse's participation in an alternative program.

ARTICLE 5

COORDINATED LICENSURE INFORMATION SYSTEM AND EXCHANGE OF INFORMATION

(a) All party states shall participate in a coordinated licensure information system of RNs and LPNs. The system will include information on the licensure and disciplinary history of each nurse, as submitted by party states, to assist in the coordination of nurse licensure and enforcement efforts.

(b) The commission, in consultation with the administrator of the coordinated licensure information system, shall formulate necessary and proper procedures for the identification, collection, and exchange of information under this compact.

(c) All licensing boards shall promptly report to the coordinated licensure information system any adverse action; any current significant investigative information; denials of applications, including the reasons for the denials; and nurse participation in alternative programs known to the licensing board, regardless of whether the participation is deemed nonpublic or confidential under state law.

(d) Current significant investigative information and participation in nonpublic or confidential alternative programs shall be transmitted through the coordinated licensure information system only to party state licensing boards.

(e) Notwithstanding any other provision of law, all party state licensing boards contributing information to the coordinated licensure information system may designate information that shall not be shared with nonparty states or disclosed to other entities or individuals without the express permission of the contributing state.

(f) Any personally identifiable information obtained from the coordinated licensure information system by a party state licensing board shall not be shared with nonparty states or disclosed to other entities or individuals except to the extent permitted by the laws of the party state contributing the information.

(g) Any information contributed to the coordinated licensure information system that is subsequently required to be expunged by the laws of the party state contributing that information shall also be expunged from the coordinated licensure information system.

(h) The compact administrator of each party state shall furnish a uniform data set to the compact administrator of each other party state, which shall include, at a minimum:

(1) identifying information;

- (2) licensure data;
- (3) information related to alternative program participation; and
- (4) other information that may facilitate the administration of this compact, as determined by commission rules.

(i) The compact administrator of a party state shall provide all investigative documents and information requested by another party state.

ARTICLE 6

ESTABLISHMENT OF THE INTERSTATE COMMISSION OF NURSE LICENSURE COMPACT ADMINISTRATORS

(a) The party states hereby create and establish a joint public entity known as the Interstate Commission of Nurse Licensure Compact Administrators:

(1) the commission is an instrumentality of the party states;

(2) venue is proper, and judicial proceedings by or against the commission shall be brought solely and exclusively in a court of competent jurisdiction where the principal office of the commission is located. The commission may waive venue and jurisdictional defenses to the extent it adopts or consents to participate in alternative dispute resolution proceedings; and

(3) nothing in this compact shall be construed to be a waiver of sovereign immunity.

(b) Membership, voting, and meetings:

(1) each party state shall have and be limited to one administrator. The head of the state licensing board or designee shall be the administrator of this compact for each party state. Any administrator may be removed or suspended from office as provided by the laws of the state from which the administrator is appointed. Any vacancy occurring in the commission shall be filled in accordance with the laws of the party state in which the vacancy exists;

(2) each administrator shall be entitled to one vote with regard to the promulgation of rules and creation of bylaws and shall otherwise have an opportunity to participate in the business and affairs of the commission. An administrator shall vote in person or by such other means as provided in the bylaws. The bylaws may provide for an administrator's participation in meetings by telephone or other means of communication;

(3) the commission shall meet at least once during each calendar year. Additional meetings shall be held as set forth in the bylaws or rules of the commission;

(4) all meetings shall be open to the public, and public notice of meetings shall be given in the same manner as required under the rulemaking provisions in article 7;

(5) the commission may convene in a closed, nonpublic meeting if the commission must discuss:

(i) noncompliance of a party state with its obligations under this compact;

(ii) the employment, compensation, discipline, or other personnel matters, practices, or procedures related to specific employees or other matters related to the commission's internal personnel practices and procedures;

(iii) current, threatened, or reasonably anticipated litigation;

(iv) negotiation of contracts for the purchase or sale of goods, services, or real estate;

(v) accusing any person of a crime or formally censuring any person;

(vi) disclosure of trade secrets or commercial or financial information that is privileged or confidential;

(vii) disclosure of information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy;

(viii) disclosure of investigatory records compiled for law enforcement purposes;

(ix) disclosure of information related to any reports prepared by or on behalf of the commission for the purpose of investigation of compliance with this compact; or

(x) matters specifically exempted from disclosure by federal or state statute; and

(6) if a meeting or portion of a meeting is closed pursuant to this provision, the commission's legal counsel or designee shall certify that the meeting may be closed and shall reference each relevant exempting provision. The commission shall keep minutes that fully and clearly describe all matters discussed in a meeting and shall provide a full and accurate summary of actions taken and the reasons therefore, including a description of the views expressed. All documents considered in connection with an action shall be identified in the minutes. All minutes and documents of a closed meeting shall remain under seal, subject to release by a majority vote of the commission or order of a court of competent jurisdiction.

(c) The commission shall, by a majority vote of the administrators, prescribe bylaws or rules to govern its conduct as may be necessary or appropriate to carry out the purposes and exercise the powers of this compact, including but not limited to:

(1) establishing the fiscal year of the commission;

(2) providing reasonable standards and procedures:

(i) for the establishment and meetings of other committees; and

(ii) governing any general or specific delegation of any authority or function of the commission;

(3) providing reasonable procedures for calling and conducting meetings of the commission, ensuring reasonable advance notice of all meetings and providing an opportunity for attendance of the meetings by interested parties, with enumerated exceptions designed to protect the public's interest, the privacy of individuals, and proprietary information, including trade secrets. The commission may meet in closed session only after a majority of the administrators vote to close a

meeting in whole or in part. As soon as practicable, the commission must make public a copy of the vote to close the meeting revealing the vote of each administrator, with no proxy votes allowed;

(4) establishing the titles, duties, and authority and reasonable procedures for the election of the officers of the commission;

(5) providing reasonable standards and procedures for the establishment of the personnel policies and programs of the commission. Notwithstanding any civil service or other similar laws of any party state, the bylaws shall exclusively govern the personnel policies and programs of the commission; and

(6) providing a mechanism for winding up the operations of the commission and the equitable disposition of any surplus funds that may exist after the termination of this compact after the payment or reserving of all of its debts and obligations.

(d) The commission shall publish its bylaws, rules, and any amendments in a convenient form on the website of the commission.

(e) The commission shall maintain its financial records in accordance with the bylaws.

(f) The commission shall meet and take actions consistent with the provisions of this compact and the bylaws.

(g) The commission shall have the following powers:

(1) to promulgate uniform rules to facilitate and coordinate implementation and administration of this compact. The rules shall have the force and effect of law and shall be binding in all party states;

(2) to bring and prosecute legal proceedings or actions in the name of the commission, provided that the standing of any licensing board to sue or be sued under applicable law shall not be affected;

(3) to purchase and maintain insurance and bonds;

(4) to borrow, accept, or contract for services of personnel, including but not limited to employees of a party state or nonprofit organizations;

(5) to cooperate with other organizations that administer state compacts related to the regulation of nursing, including but not limited to sharing administrative or staff expenses, office space, or other resources;

(6) to hire employees, elect or appoint officers, fix compensation, define duties, grant such individuals appropriate authority to carry out the purposes of this compact, and establish the commission's personnel policies and programs relating to conflicts of interest, qualifications of personnel, and other related personnel matters;

(7) to accept any and all appropriate donations, grants, and gifts of money, equipment, supplies, materials, and services, and to receive, utilize, and dispose of the same; provided that at all times the commission shall avoid any appearance of impropriety or conflict of interest;

(8) to lease, purchase, accept appropriate gifts or donations of, or otherwise to own, hold, improve, or use any property, whether real, personal, or mixed; provided that at all times the commission shall avoid any appearance of impropriety;

(9) to sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of any property, whether real, personal, or mixed;

(10) to establish a budget and make expenditures;

(11) to borrow money;

(12) to appoint committees, including advisory committees comprised of administrators, state nursing regulators, state legislators or their representatives, and consumer representatives, and other such interested persons;

(13) to provide and receive information from, and to cooperate with, law enforcement agencies;

(14) to adopt and use an official seal; and

(15) to perform other functions as may be necessary or appropriate to achieve the purposes of this compact consistent with the state regulation of nurse licensure and practice.

(h) Financing of the commission:

(1) the commission shall pay or provide for the payment of the reasonable expenses of its establishment, organization, and ongoing activities;

(2) the commission may also levy on and collect an annual assessment from each party state to cover the cost of its operations, activities, and staff in its annual budget as approved each year. The aggregate annual assessment amount, if any, shall be allocated based on a formula to be determined by the commission, which shall promulgate a rule that is binding upon all party states;

(3) the commission shall not incur obligations of any kind prior to securing the funds adequate to meet the same; nor shall the commission pledge the credit of any of the party states, except by and with the authority of the party state; and

(4) the commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the commission shall be subject to the audit and accounting procedures established under its bylaws. However, all receipts and disbursements of funds handled by the commission shall be audited yearly by a certified or licensed public accountant, and the report of the audit shall be included in and become part of the annual report of the commission.

(i) Qualified immunity, defense, and indemnification:

(1) the administrators, officers, executive director, employees, and representatives of the commission shall be immune from suit and liability, either personally or in their official capacity, for any claim for damage to or loss of property or personal injury or other civil liability caused by or arising out of any actual or alleged act, error, or omission that occurred, or that the person against whom the claim is made had a reasonable basis for believing occurred, within the scope of commission employment, duties, or responsibilities; provided that nothing in this paragraph shall

be construed to protect any such person from suit or liability for any damage, loss, injury, or liability caused by the intentional, willful, or wanton misconduct of that person;

(2) the commission shall defend any administrator, officer, executive director, employee, or representative of the commission in any civil action seeking to impose liability arising out of any actual or alleged act, error, or omission that occurred within the scope of commission employment, duties, or responsibilities, or that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities; provided that nothing herein shall be construed to prohibit that person from retaining the person's counsel; and provided further that the actual or alleged act, error, or omission did not result from that person's intentional, willful, or wanton misconduct; and

(3) the commission shall indemnify and hold harmless any administrator, officer, executive director, employee, or representative of the commission for the amount of any settlement or judgment obtained against that person arising out of any actual or alleged act, error, or omission that occurred within the scope of commission employment, duties, or responsibilities, or that the person had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities; provided that the actual or alleged act, error, or omission did not result from the intentional, willful, or wanton misconduct of that person.

ARTICLE 7

RULEMAKING

(a) The commission shall exercise its rulemaking powers pursuant to this article and the rules adopted thereunder. Rules and amendments shall become binding as of the date specified in each rule or amendment and shall have the same force and effect as provisions of this compact.

(b) Rules or amendments to the rules shall be adopted at a regular or special meeting of the commission.

(c) Prior to promulgation and adoption of a final rule or rules by the commission, and at least 60 days in advance of the meeting at which the rule will be considered and voted on, the commission shall file a notice of proposed rulemaking:

(1) on the website of the commission; and

(2) on the website of each licensing board or the publication in which the state would otherwise publish proposed rules.

(d) The notice of proposed rulemaking shall include:

(1) the proposed time, date, and location of the meeting in which the rule will be considered and voted on;

(2) the text of the proposed rule or amendment, and the reason for the proposed rule;

(3) a request for comments on the proposed rule from any interested person; and

(4) the manner in which interested persons may submit notice to the commission of their intention to attend the public hearing and any written comments.

(e) Prior to adoption of a proposed rule, the commission shall allow persons to submit written data, facts, opinions, and arguments that shall be made available to the public.

(f) The commission shall grant an opportunity for a public hearing before it adopts a rule or amendment.

(g) The commission shall publish the place, time, and date of the scheduled public hearing:

(1) hearings shall be conducted in a manner providing each person who wishes to comment a fair and reasonable opportunity to comment orally or in writing. All hearings will be recorded and a copy will be made available upon request; and

(2) nothing in this section shall be construed as requiring a separate hearing on each rule. Rules may be grouped for the convenience of the commission at hearings required by this section.

(h) If no person appears at the public hearing, the commission may proceed with promulgation of the proposed rule.

(i) Following the scheduled hearing date or by the close of business on the scheduled hearing date if the hearing was not held, the commission shall consider all written and oral comments received.

(j) The commission shall, by majority vote of all administrators, take final action on the proposed rule and shall determine the effective date of the rule, if any, based on the rulemaking record and the full text of the rule.

(k) Upon determination that an emergency exists, the commission may consider and adopt an emergency rule without prior notice or opportunity for comment or hearing, provided that the usual rulemaking procedures provided in this compact and in this section shall be retroactively applied to the rule as soon as reasonably possible, in no event later than 90 days after the effective date of the rule. For the purposes of this provision, an emergency rule is one that must be adopted immediately in order to:

(1) meet an imminent threat to public health, safety, or welfare;

(2) prevent a loss of commission or party state funds; or

(3) meet a deadline for the promulgation of an administrative rule that is required by federal law or rule.

(l) The commission may direct revisions to a previously adopted rule or amendment for purposes of correcting typographical errors, errors in format, errors in consistency, or grammatical errors. Public notice of any revisions shall be posted on the website of the commission. The revision shall be subject to challenge by any person for a period of 30 days after posting. The revision may be challenged only on grounds that the revision results in a material change to a rule. A challenge shall be made in writing and delivered to the commission before the end of the notice period. If no

challenge is made, the revision will take effect without further action. If the revision is challenged, the revision shall not take effect without the approval of the commission.

ARTICLE 8

OVERSIGHT, DISPUTE RESOLUTION, AND ENFORCEMENT

(a) Oversight:

(1) each party state shall enforce this compact and take all actions necessary and appropriate to effectuate this compact's purposes and intent; and

(2) the commission shall be entitled to receive service of process in any proceeding that may affect the powers, responsibilities, or actions of the commission and shall have standing to intervene in such a proceeding for all purposes. Failure to provide service of process in the proceeding to the commission shall render a judgment or order void as to the commission, this compact, or promulgated rules.

(b) Default, technical assistance, and termination:

(1) if the commission determines that a party state has defaulted in the performance of its obligations or responsibilities under this compact or the promulgated rules, the commission shall:

(i) provide written notice to the defaulting state and other party states of the nature of the default, the proposed means of curing the default, or any other action to be taken by the commission; and

(ii) provide remedial training and specific technical assistance regarding the default;

(2) if a state in default fails to cure the default, the defaulting state's membership in this compact may be terminated upon an affirmative vote of a majority of the administrators, and all rights, privileges, and benefits conferred by this compact may be terminated on the effective date of termination. A cure of the default does not relieve the offending state of obligations or liabilities incurred during the period of default;

(3) termination of membership in this compact shall be imposed only after all other means of securing compliance have been exhausted. Notice of intent to suspend or terminate shall be given by the commission to the governor of the defaulting state and to the executive officer of the defaulting state's licensing board and each of the party states;

(4) a state whose membership in this compact has been terminated is responsible for all assessments, obligations, and liabilities incurred through the effective date of termination, including obligations that extend beyond the effective date of termination;

(5) the commission shall not bear any costs related to a state that is found to be in default or whose membership in this compact has been terminated, unless agreed upon in writing between the commission and the defaulting state; and

(6) the defaulting state may appeal the action of the commission by petitioning the U.S. District Court for the District of Columbia or the federal district in which the commission has its principal

offices. The prevailing party shall be awarded all costs of the litigation, including reasonable attorney fees.

(c) Dispute resolution:

(1) upon request by a party state, the commission shall attempt to resolve disputes related to the compact that arise among party states and between party and nonparty states;

(2) the commission shall promulgate a rule providing for both mediation and binding dispute resolution for disputes, as appropriate; and

(3) in the event the commission cannot resolve disputes among party states arising under this compact:

(i) the party states may submit the issues in dispute to an arbitration panel, that will be comprised of individuals appointed by the compact administrator in each of the affected party states and an individual mutually agreed upon by the compact administrators of all the party states involved in the dispute; and

(ii) the decision of a majority of the arbitrators shall be final and binding.

(d) Enforcement:

(1) the commission, in the reasonable exercise of its discretion, shall enforce the provisions and rules of this compact;

(2) by majority vote, the commission may initiate legal action in the U.S. District Court for the District of Columbia or the federal district in which the commission has its principal offices against a party state that is in default to enforce compliance with this compact and its promulgated rules and bylaws. The relief sought may include both injunctive relief and damages. In the event judicial enforcement is necessary, the prevailing party shall be awarded all costs of the litigation, including reasonable attorney fees; and

(3) the remedies herein shall not be the exclusive remedies of the commission. The commission may pursue any other remedies available under federal or state law.

ARTICLE 9

EFFECTIVE DATE, WITHDRAWAL, AND AMENDMENT

(a) This compact shall become effective and binding on the earlier of the date of legislative enactment of this compact into law by no less than twenty-six states or December 31, 2018. All party states to this compact that also were parties to the prior Nurse Licensure Compact that was superseded by this compact shall be deemed to have withdrawn from the prior compact within six months after the effective date of this compact.

(b) Each party state to this compact shall continue to recognize a nurse's multistate licensure privilege to practice in that party state issued under the prior compact until the party state has withdrawn from the prior compact.

(c) Any party state may withdraw from this compact by legislative enactment. A party state's withdrawal shall not take effect until six months after enactment of the repealing statute.

(d) A party state's withdrawal or termination shall not affect the continuing requirement of the withdrawing or terminated state's licensing board to report adverse actions and significant investigations occurring prior to the effective date of the withdrawal or termination.

(e) Nothing in this compact shall be construed to invalidate or prevent any nurse licensure agreement or other cooperative arrangement between a party state and a nonparty state that is made in accordance with the other provisions of this compact.

(f) This compact may be amended by the party states. No amendment to this compact shall become effective and binding upon the party states unless and until it is enacted into the laws of all party states.

(g) Representatives of nonparty states to this compact shall be invited to participate in the activities of the commission on a nonvoting basis prior to the adoption of this compact by all states.

ARTICLE 10

CONSTRUCTION AND SEVERABILITY

This compact shall be liberally construed so as to effectuate the purposes thereof. This compact shall be severable, and if any phrase, clause, sentence, or provision of this compact is declared to be contrary to the constitution of any party state or of the United States, or if the applicability thereof to any government, agency, person, or circumstance is held invalid, the validity of the remainder of this compact and the applicability thereof to any government, agency, person, or circumstance shall not be affected thereby. If this compact is held to be contrary to the constitution of any party state, this compact shall remain in full force and effect for the remaining party states and in full force and effect for the party state affected as to all severable matters.

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

Sec. 6. [148.2856] APPLICATION OF NURSE LICENSURE COMPACT TO EXISTING LAWS.

(a) Section 148.2855 does not supersede existing state labor laws.

(b) If the board takes action against an individual's multistate privilege, the action must be adjudicated following the procedures in sections 14.50 to 14.62 and must be subject to the judicial review provided for in sections 14.63 to 14.69.

(c) The board may take action against an individual's multistate privilege based on the grounds listed in section 148.261, subdivision 1, and any other statute authorizing or requiring the board to take corrective or disciplinary action.

(d) The board may take all forms of disciplinary action provided in section 148.262, subdivision 1, and corrective action provided in section 214.103, subdivision 6, against an individual's multistate privilege.

(e) The cooperation requirements of section 148.265 apply to individuals who practice professional or practical nursing in Minnesota under section 148.2855.

(f) Complaints against individuals who practice professional or practical nursing in Minnesota under section 148.2855 must be addressed according to sections 214.10 and 214.104.

EFFECTIVE DATE. This section is effective July 1, 2023."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 32 and nays 35, as follows:

Those who voted in the affirmative were:

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

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

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Boldon cast the negative vote on behalf of the following Senators:
Dziedzic and Gustafson.

The motion did not prevail. So the amendment was not adopted.

Senator Utke moved to amend S.F. No. 2995 as follows:

Pages 133 to 146, delete sections 8 to 17

Pages 147 to 150, delete sections 19 to 25

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 30 and nays 35, as follows:

Those who voted in the affirmative were:

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

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

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Boldon cast the negative vote on behalf of the following Senators: Dziedzic and Gustafson.

The motion did not prevail. So the amendment was not adopted.

Senator Lieske moved to amend S.F. No. 2995 as follows:

Page 138, line 25, delete "projected number of" and reinstate the stricken "for" and delete "nonmanagerial care staff that will"

Page 138, line 26, delete everything before "each" and reinstate the stricken "for each 24-hour period"

Page 138, delete lines 27 to 28

Page 138, line 29, delete "(3)" and insert "(2)"

Page 139, line 1, delete "(4)" and insert "(3)"

Page 139, line 4, delete "(5)" and insert "(4)"

Page 139, line 9, delete "(6)" and insert "(5)"

Page 139, line 11, delete "(7)" and insert "(6)"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 31 and nays 34, as follows:

Those who voted in the affirmative were:

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

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

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Boldon cast the negative vote on behalf of the following Senators:
Dziedzic and Gustafson.

The motion did not prevail. So the amendment was not adopted.

Senator Coleman moved to amend S.F. No. 2995 as follows:

Page 65, line 29, after the period, insert "An individual with the right to an embryo that is not used for an embryo transfer under this section is entitled to have the embryo released to the individual upon written request. Every individual undergoing an embryo transfer must be notified of their right to the release of an embryo under this paragraph."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 32 and nays 34, as follows:

Those who voted in the affirmative were:

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

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

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Boldon cast the negative vote on behalf of the following Senators: Dzedzic and Gustafson.

The motion did not prevail. So the amendment was not adopted.

Senator Nelson moved to amend S.F. No. 2995 as follows:

Page 70, after line 17, insert:

"Sec. 8. [62A.3096] COST-SHARING REDUCTIONS AT POINT OF SALE.

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

(b) "Defined cost-sharing" means a deductible or coinsurance amount imposed on an enrollee for a covered prescription drug under the terms of the enrollee's health plan.

(c) "Health carrier" has the meaning given in section 62A.011, subdivision 2. Health carrier includes a pharmacy benefit manager as defined in section 62W.02, subdivision 15, with respect to the pharmacy benefit management services provided on behalf of a health carrier.

(d) "Price protection rebate" means a negotiated price concession that accrues directly or indirectly to the health carrier, or other party on behalf of the health carrier, in the event the wholesale acquisition cost of a drug increases above a specified threshold.

(e) "Rebate" means:

(1) negotiated price concessions, including but not limited to base price concessions, whether described as a rebate or otherwise, and reasonable estimates of any price protection rebates and performance-based price concessions that may accrue directly or indirectly to the health carrier during the coverage year from a manufacturer, dispensing pharmacy, or other party in connection with dispensing or administering a prescription drug; and

(2) reasonable estimates of any negotiated prices, concessions, fees, and other administrative costs that are passed through to the health carrier and serve to reduce the health carrier's liabilities for a prescription drug.

Subd. 2. **Decrease in cost-sharing.** (a) An enrollee's defined cost-sharing for each prescription drug must be calculated at the point of sale based on a price that is reduced by an amount equal to 100 percent of all rebates received or to be received in connection with dispensing or administering the prescription drug.

(b) Nothing in this section precludes a health carrier from decreasing an enrollee's defined cost-sharing by an amount greater than that required under this subdivision.

Subd. 3. **Confidentiality.** (a) When complying with this section, a health carrier or the health carrier's agents must not publish or otherwise reveal information regarding the actual amount of rebates a health carrier receives on a product, therapeutic class of products, manufacturer-specific basis, or pharmacy-specific basis.

(b) Rebate information is protected as a trade secret, is not a public record under chapter 13, and must not be disclosed:

(1) directly;

(2) indirectly;

(3) in a manner that may identify an individual product, therapeutic class of products, or manufacturer; or

(4) in a manner that has the potential to compromise the financial, competitive, or proprietary nature of the information.

(c) A health carrier must impose the confidentiality protections of this section on any vendor or downstream third party that performs health care or administrative services on behalf of the health carrier that may receive or have access to rebate information.

Subd. 4. **Enforcement.** A health carrier or pharmacy benefit manager that fails to comply with this section may be subject to sanctions under the appropriate chapters regulating the health carrier or pharmacy benefit manager, including civil penalties and suspension or revocation of the health carrier's or pharmacy benefit manager's license."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 31 and nays 35, as follows:

Those who voted in the affirmative were:

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

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

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Boldon cast the negative vote on behalf of the following Senators: Dzedzic and Gustafson.

The motion did not prevail. So the amendment was not adopted.

Senator Gruenhagen moved to amend S.F. No. 2995 as follows:

Page 542, delete section 1

Page 543, delete section 2

Page 545, delete section 3

Page 546, delete section 4

Page 547, delete section 5

Page 549, delete section 6

Page 552, delete section 7

Page 554, delete section 9

Page 563, delete section 24

Page 570, delete sections 29 and 30

Page 593, line 24, delete "39,180,000" and insert "40,516,000" and delete "35,326,000" and insert "37,053,000"

Page 595, after line 10, insert:

"(h) School-linked mental health grants.
\$1,336,000 in fiscal year 2024 and
\$1,727,000 in fiscal year 2025 are for
school-linked mental health grants under
Minnesota Statutes, section 245.4901."

Page 595, line 11, delete "(h)" and insert "(i)"

Page 616, delete section 15

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

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

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

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Boldon cast the negative vote on behalf of the following Senators:
Dziedzic, Fateh, and Gustafson.

The motion did not prevail. So the amendment was not adopted.

Senator Gruenhagen moved to amend S.F. No. 2995 as follows:

Page 96, after line 15, insert:

"Sec. 31. **[62K.16] REFERENCE-BASED PRICING HEALTH PLAN.**

Subdivision 1. General. Notwithstanding any law to the contrary and upon any necessary federal approval, a health carrier may offer in the individual, small, and large group market a reference-based pricing health plan that meets the requirements of this section.

Subd. 2. Provider participation. (a) An enrollee of a reference-based pricing health plan may access any health care provider who has agreed to (1) a reimbursement rate up to but not greater than the reimbursement rate specified in the enrollee's reference-based pricing plan as defined under this section, and (2) any other terms and conditions offered by the health carrier. Any terms and conditions offered by the health carrier must be the same for all health care providers who agree to participate in the health plan.

(b) A health carrier may require a participating provider to meet reasonable data, utilization review, and quality assurance requirements.

(c) A provider who agrees to participate must provide services to all enrollees of the health plan if the provider's reimbursement rates are equal to or less than that specified in the enrollee's health plan.

Subd. 3. Reimbursement rates. (a) The reimbursement rates offered to providers who agree to participate in a reference-based pricing health plan must be based on a percentage relative to the rates defined by the most recent Medicare reimbursement schedules promulgated by the Centers for Medicare and Medicaid Services.

(b) For services that do not have a corresponding Medicare reimbursement value, the health carrier must negotiate the rates based on other fee schedules used within the health care market.

(c) If a reference-based pricing health plan's reimbursement rate is at least 120 percent above the Medicare rate and the health plan is offered in all counties throughout Minnesota, the health plan is exempt from the geographic and network adequacy requirements under section 62K.10.

(d) A provider who agrees to participate in the health plan agrees to accept the reimbursement rate as payment in full under the terms of the health plan in accordance with section 62K.11.

Subd. 4. **Conditions.** (a) Nothing in this section requires a provider to participate in a reference-based pricing health plan. A health carrier is prohibited from requiring, as a condition of participation in any other health plan, product, or other arrangement offered by the health carrier, that the provider participate in a reference-based pricing health plan.

(b) Nothing in this section requires a health carrier to provide coverage for a service or treatment that is not covered under the enrollee's health plan.

(c) A reference-based pricing health plan may impose cost-sharing requirements, including co-payments, deductibles, and coinsurance and reasonable referral and prior authorization requirements.

Subd. 5. **Definitions.** For purposes of this section, "provider" has the meaning given in section 62J.03, subdivision 8."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

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

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

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Boldon cast the negative vote on behalf of the following Senators: Dziedzic, Fateh, and Gustafson.

The motion did not prevail. So the amendment was not adopted.

Senator Koran moved to amend S.F. No. 2995 as follows:

Page 86, after line 3, insert:

"(d) Contracts for technology development under this section are subject to section 16C.06."

Page 119, after line 28, insert:

"Sec. 46. **CONTRACT EVALUATION; PRESCRIPTION DRUG PRICE TRANSPARENCY ACT.**"

The commissioner of health must evaluate all contracts in place on the effective date of this act that related to information technology development for purposes of the Prescription Drug Price Transparency Act in section 62J.84. The evaluation must determine whether deliverables of existing contracts have been satisfied."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

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

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

Those who voted in the negative were:

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

Pursuant to Rule 40, Senator Boldon cast the negative vote on behalf of the following Senators: Dziedzic, Fateh, and Gustafson.

The motion did not prevail. So the amendment was not adopted.

S.F. No. 2995 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 35 and nays 32, as follows:

Those who voted in the affirmative were:

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

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Dziedzic, Fateh, and Gustafson.

Those who voted in the negative were:

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

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

So the bill, as amended, was passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Reports of Committees and Second Reading of House Bills.

REPORTS OF COMMITTEES

Senator Kunesh moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S.F. No. 2684.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 37 and nays 25, as follows:

Those who voted in the affirmative were:

Abeler	Farnsworth	Kunesh	Mitchell	Seeberger
Boldon	Fateh	Kupec	Mohamed	Weber
Champion	Frentz	Latz	Murphy	Westlin
Cwodzinski	Gustafson	Mann	Pappas	Wiklund
Dibble	Hauschild	Marty	Pha	Xiong
Draheim	Hawj	Maye Quade	Port	
Duckworth	Hoffman	McEwen	Putnam	
Dziedzic	Klein	Miller	Rest	

Pursuant to Rule 40, Senator Boldon cast the affirmative vote on behalf of the following Senators: Dziedzic and Gustafson.

Those who voted in the negative were:

Anderson	Drazkowski	Howe	Lang	Pratt
Bahr	Eichorn	Jasinski	Lieske	Rarick
Coleman	Green	Johnson	Lucero	Rasmusson
Dahms	Gruenhagen	Koran	Mathews	Utke
Dornink	Housley	Kreun	Oumou Verbeten	Wesenberg

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

The motion prevailed.

Senator Rest from the Committee on Taxes, to which was re-referred

S.F. No. 73: A bill for an act relating to cannabis; establishing the Office of Cannabis Management; establishing the Cannabis Advisory Council; requiring reports relating to cannabis use and sales; legalizing and limiting the possession and use of cannabis by adults; providing for the licensing, inspection, and regulation of cannabis businesses and hemp businesses; requiring testing of cannabis flower, cannabis products, and hemp products; requiring labeling of cannabis flower, cannabis products, and hemp products; limiting the advertisement of cannabis flower, cannabis products, hemp products, hemp businesses products, and cannabis businesses; providing for the cultivation of cannabis in private residences; transferring regulatory authority for the medical cannabis program; allowing Tribal medical cannabis program manufacturers to distribute medical cannabis to Tribal medical cannabis program patients; providing for transportation of medical cannabis by Tribal medical cannabis manufacturers; taxing the sale of adult-use cannabis; establishing grant and loan programs; amending criminal penalties; prohibiting the use or possession of cannabis flower and cannabis products on a street or highway; establishing expungement procedures for certain individuals; establishing labor standards for the use of cannabis and hemp products by employees and testing of employees; providing for the temporary regulation of certain edible cannabinoid products; providing for professional licensing protections; amending the scheduling of marijuana and tetrahydrocannabinols; classifying data; making miscellaneous cannabis-related and hemp-related changes and additions; making clarifying and technical changes; appropriating money; amending Minnesota Statutes 2022, sections 13.411, by adding a subdivision; 13.871, by adding a subdivision; 16B.2975, subdivision 8; 34A.01, subdivision 4; 97B.065, subdivision 1; 97B.066, by adding a subdivision; 144.99, subdivision 1; 151.72; 152.01, by adding subdivisions; 152.02, subdivisions 2, 4; 152.021, subdivision 2; 152.022, subdivisions 1, 2; 152.023, subdivisions 1, 2; 152.024, subdivision 1; 152.025, subdivisions 1, 2; 152.18, subdivision 1; 152.22, by adding subdivisions; 152.29, subdivision 4, by adding a subdivision; 152.30; 152.32; 152.33, subdivision 1; 169A.03, subdivision 6; 175.45, subdivision 1; 181.938, subdivision 2; 181.950, subdivisions 2,

4, 5, 8, 13, by adding a subdivision; 181.951, subdivision 4, by adding subdivisions; 181.952, by adding a subdivision; 181.953; 181.954; 181.955; 181.957, subdivision 1; 192A.555; 245C.08, subdivision 1; 256.01, subdivision 18c; 256B.0625, subdivision 13d; 256D.024, subdivisions 1, 3; 256J.26, subdivisions 1, 3; 273.13, subdivision 24; 275.025, subdivision 2; 290.0132, subdivision 29; 290.0134, subdivision 19; 297A.61, subdivision 3; 297A.67, subdivisions 2, 7; 297A.70, subdivisions 2, 18; 297A.99, by adding a subdivision; 297D.01; 297D.04; 297D.06; 297D.07; 297D.08; 297D.085; 297D.09, subdivision 1a; 297D.10; 297D.11; 340A.412, subdivision 14; 609.135, subdivision 1; 609.2111; 609.5311, subdivision 1; 609.5314, subdivision 1; 609.5316, subdivision 2; 609A.01; 609A.03, subdivisions 5, 9; 609B.425, subdivision 2; 609B.435, subdivision 2; 624.712, by adding subdivisions; 624.713, subdivision 1; 624.714, subdivision 6; 624.7142, subdivision 1; 624.7143, by adding a subdivision; 624.7151; proposing coding for new law in Minnesota Statutes, chapters 3; 116J; 116L; 120B; 144; 152; 169A; 289A; 295; 340A; 609A; 624; proposing coding for new law as Minnesota Statutes, chapter 342; repealing Minnesota Statutes 2022, sections 151.72; 152.027, subdivisions 3, 4; 152.21; 152.22, subdivisions 1, 2, 3, 4, 5, 5a, 5b, 6, 7, 8, 9, 10, 11, 12, 13, 14; 152.23; 152.24; 152.25, subdivisions 1, 1a, 1b, 1c, 2, 3, 4; 152.26; 152.261; 152.27, subdivisions 1, 2, 3, 4, 5, 6, 7; 152.28, subdivisions 1, 2, 3; 152.29, subdivisions 1, 2, 3, 3a, 4; 152.30; 152.31; 152.32, subdivisions 1, 2, 3; 152.33, subdivisions 1, 1a, 2, 3, 4, 5, 6; 152.34; 152.35; 152.36, subdivisions 1, 1a, 2, 3, 4, 5; 152.37; Minnesota Rules, parts 4770.0100; 4770.0200; 4770.0300; 4770.0400; 4770.0500; 4770.0600; 4770.0800; 4770.0900; 4770.1000; 4770.1100; 4770.1200; 4770.1300; 4770.1400; 4770.1460; 4770.1500; 4770.1600; 4770.1700; 4770.1800; 4770.1900; 4770.2000; 4770.2100; 4770.2200; 4770.2300; 4770.2400; 4770.2700; 4770.2800; 4770.4000; 4770.4002; 4770.4003; 4770.4004; 4770.4005; 4770.4007; 4770.4008; 4770.4009; 4770.4010; 4770.4012; 4770.4013; 4770.4014; 4770.4015; 4770.4016; 4770.4017; 4770.4018; 4770.4030.

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

Page 2, line 38, delete "cannabinoid" and insert "cannabis"

Page 2, line 39, after "products" insert "or lower-potency hemp edibles"

Page 2, line 41, delete "cannabinoid" and insert "cannabis"

Page 3, line 1, delete "edible products" and insert "hemp edibles"

Page 3, line 2, after "business" insert "or hemp business"

Page 4, after line 20, insert:

"(7) cannabis transporter;"

Page 4, line 21, delete "(7)" and insert "(8)"

Page 4, line 22, delete "(8)" and insert "(9)"

Page 4, line 23, delete "(9)" and insert "(10)"

Page 4, line 24, delete "(10)" and insert "(11)"

Page 4, line 25, delete "(11)" and insert "(12)"

Page 4, line 26, delete "(12)" and insert "(13)"

Page 5, line 28, delete everything after "products"

Page 5, line 29, delete everything before "and"

Page 6, line 14, delete "cannabinoid" and insert "cannabis"

Page 9, line 1, delete "artificially" and insert "synthetically" and after the first comma, insert "hemp concentrate, "

Page 12, line 9, after "business" insert "or hemp business"

Page 15, line 23, after "cannabis" insert "industry"

Page 16, line 5, after the second "to" insert "adult-use" and after the first comma insert "adult-use"

Page 17, line 2, delete "cannabinoid" and insert "cannabis"

Page 17, line 3, after "of" insert "adult-use" and delete "cannabinoid" and insert "adult-use cannabis"

Page 17, line 4, delete "and" and insert a comma and after "microbusinesses" insert ", and licensed cannabis mezzobusinesses"

Page 17, line 5, after "sell" insert "adult-use" and delete "cannabinoid" and insert "adult-use cannabis"

Page 18, line 29, delete "in"

Page 22, line 13, after "industry" insert "and hemp consumer industry"

Page 25, line 13, after "OF" insert "ADULT-USE" and delete the comma and insert "AND ADULT-USE CANNABIS" and delete ", AND" and insert a period

Page 25, delete line 14

Page 25, line 21, after the second "of" insert "adult-use"

Page 25, line 22, before "cannabis" insert "adult-use"

Page 25, line 25, after "of" insert "adult-use" and after the first comma insert "adult-use"

Page 25, line 27, before "cannabis" insert "adult-use"

Page 26, line 11, after "any" insert "adult-use" and after the first comma insert "adult-use"

Page 26, line 17, after the second "to" insert "adult-use"

Page 26, line 18, after the first comma, insert "adult-use"

Page 27, lines 1, 4, 7, 8, 11, 13, and 16, delete "cannabinoid" and insert "cannabis"

Page 28, line 21, after "of" insert "adult-use"

Page 28, line 22, after "and" insert "adult-use"

Page 29, line 12, after "consuming" insert "adult-use" and after the first comma insert "adult-use"

Page 29, line 17, after "cannabis" insert "flower"

Page 30, line 9, delete "artificially" and insert "synthetically"

Page 31, line 5, delete "edible products" and insert "edibles"

Page 36, line 21, delete "or cannabinoid products"

Page 37, line 25, delete "paragraphs" and insert "paragraph"

Page 44, line 16, after the first comma, insert "or" and delete ", or cannabinoid product"

Page 44, line 34, delete "or cannabinoid product" and insert "cannabis product, lower-potency hemp edible, or hemp-derived consumer product"

Page 45, line 12, delete ", or cannabinoid" and insert ", lower-potency hemp edible, or hemp-derived consumer"

Page 46, line 5, after "business" insert "or hemp business"

Page 50, line 34, delete "2" and insert "1"

Page 51, line 2, delete "3" and insert "2"

Page 51, line 5, delete "4" and insert "3"

Page 51, line 8, delete "5" and insert "4"

Page 52, line 19, delete "cannabinoid" and insert "cannabis"

Page 52, line 32, delete "edible products" and insert "hemp edibles"

Page 53, line 8, delete "cannabinoid" and insert "cannabis"

Page 53, lines 20 and 22, after the first "products," insert "lower-potency hemp edibles,"

Page 53, line 25, delete "cannabinoid" and insert "cannabis"

Page 54, line 16, after "products," insert "lower-potency hemp edibles,"

Page 54, line 21, after "business" insert a comma and after "products" insert ", lower-potency hemp edibles,"

Page 54, line 22, delete "manufacturers" and insert "manufactures"

Page 54, line 24, after "products," insert "lower-potency hemp edibles,"

Page 54, line 28, delete "cannabinoid" and insert "cannabis" and after "products," insert "lower-potency hemp edibles, hemp-derived consumer products,"

Page 55, lines 5, 8, 14, 26, 27, 29, and 31, delete "cannabinoid" and insert "cannabis"

Page 56, line 1, delete "cannabinoid" and insert "cannabis"

Page 59, line 2, delete "cannabinoid" and insert "cannabis" and after "products," insert ",
lower-potency hemp edibles,"

Page 59, line 16, after "purchase" insert "adult-use"

Page 59, line 17, after the first comma, insert "adult-use"

Page 60, line 29, delete "artificially" and insert "synthetically"

Page 61, line 1, delete "artificially" and insert "synthetically"

Page 61, line 6, after the first comma, insert "lower-potency hemp edibles,"

Page 63, lines 4 and 8, before "cannabis" insert "adult-use"

Page 65, line 27, delete "Seed" and insert "Genetically engineered organism release"

Page 66, line 29, delete "artificially" and insert "synthetically"

Page 67, line 16, delete "artificially" and insert "synthetically"

Page 68, line 24, before "CANNABIS" insert "ADULT-USE"

Page 68, line 27, after the first comma insert "adult-use" and after the second comma insert "adult-use"

Page 68, line 29, after the fourth comma insert "and"

Page 68, line 30, delete everything after "wholesalers" and insert a semicolon

Page 69, line 13, delete "cannabinoid" and insert "cannabis" and after "products," insert "lower-potency hemp edibles,"

Page 70, line 15, after the first "cannabis" insert "flower"

Page 70, line 21, before the first "cannabis" insert "adult-use" and before the second "cannabis" insert "adult-use"

Page 70, line 30, delete "artificially" and insert "synthetically"

Page 71, line 17, delete "artificially" and insert "synthetically"

Page 72, line 6, after "cannabis" insert "flower" and delete "cannabinoid" and insert "cannabis"

Page 73, line 21, delete everything after "or" and insert "Sunday before 11:00 a.m. or after 6:00 p.m."

Page 73, delete line 22

Page 75, line 22, delete the first comma and insert "and" and delete everything after "flower"

Page 75, line 23, delete "parts"

Page 75, line 24, after "manufacturer," insert "or" and delete everything after "wholesaler" and insert a semicolon

Page 75, after line 24, insert:

"(7) purchase hemp plant parts from an industrial hemp grower;"

Page 75, line 25, delete "(7)" and insert "(8)"

Page 75, line 27, after "manufacturer," insert "or" and delete ", or a licensed hemp grower"

Page 75, line 30, delete "(8)" and insert "(9)"

Page 76, line 1, delete "(9)" and insert "(10)"

Page 76, line 4, delete "(10)" and insert "(11)"

Page 76, line 6, delete "(11)" and insert "(12)"

Page 77, line 6, delete "synthetic" and insert "synthetically derived"

Page 78, line 6, delete "cannabinoid" and insert "cannabis"

Page 78, line 31, delete "artificially" and insert "synthetically"

Page 79, line 13, after the fourth comma insert "and"

Page 79, line 14, delete everything after "microbusinesses" and insert a semicolon

Page 79, after line 14, insert:

"(2) purchase hemp plant parts from industrial hemp growers;"

Page 79, line 15, delete "(2)" and insert "(3)"

Page 79, line 18, delete "(3)" and insert "(4)"

Page 79, line 19, delete "(4)" and insert "(5)" and delete "edible products" and insert "edibles"

Page 79, line 22, delete "(5)" and insert "(6)"

Page 80, line 24, delete the first comma and insert "and" and delete everything after "flower"

Page 80, line 25, delete "parts"

Page 80, line 26, after the first comma insert "or" and delete everything after "wholesaler" and insert a semicolon

Page 80, line 27, delete "artificially" and insert "synthetically"

Page 80, line 28, after the third comma insert "or"

Page 80, line 29, delete ", or a licensed hemp grower"

Page 80, after line 30, insert:

"(8) purchase hemp plant parts from a licensed hemp grower;"

Page 81, line 1, delete "(8)" and insert "(9)"

Page 81, line 3, delete "(9)" and insert "(10)"

Page 81, line 6, delete "(10)" and insert "(11)"

Page 82, line 6, delete "synthetic" and insert "synthetically derived"

Page 83, line 27, delete "edible products" and insert "edibles"

Page 89, line 24, delete "cannabinoid" and insert "cannabis"

Page 93, lines 1 and 16, delete "cannabinoid" and insert "cannabis"

Page 93, line 20, delete "form" and insert "from"

Page 95, line 7, delete "cannabinoid" and insert "cannabis"

Page 95, line 33, delete "edible products" and insert "hemp edibles"

Page 96, line 9, before "edible" insert "hemp" and delete "product"

Page 96, lines 24 and 30, after "lower-potency" insert "hemp" and delete "product"

Page 97, line 1, after "lower-potency" insert "hemp" and delete "product"

Page 97, line 24, delete "cannabinoid" and insert "cannabis"

Page 101, lines 12 and 23, delete "cannabinoid" and insert "cannabis"

Page 102, line 5, delete "cannabinoid" and insert "cannabis"

Page 103, line 12, after the first comma, insert "and" and delete everything after "manufacturers" and insert a semicolon

Page 103, after line 12, insert:

"(2) purchase hemp plant parts from industrial hemp growers;"

Page 103, line 13, delete "(2)" and insert "(3)"

Page 103, line 14, delete "(3)" and insert "(4)"

Page 103, line 15, delete "(4)" and insert "(5)"

Page 103, line 16, delete "(5)" and insert "(6)"

Page 103, line 17, delete "(6)" and insert "(7)"

Page 103, line 19, delete "(7)" and insert "(8)"

Page 104, line 23, delete "cannabinoid" and insert "cannabis"

Page 106, line 2, delete the first comma and insert "and" and delete the second comma

Page 106, line 3, delete everything before the semicolon

Page 106, after line 3, insert:

"(2) purchase hemp plant parts from industrial hemp growers;"

Page 106, line 4, delete "(2)" and insert "(3)"

Page 106, line 5, delete "(3)" and insert "(4)"

Page 106, line 7, delete "(4)" and insert "(5)"

Page 106, line 8, delete "(5)" and insert "(6)"

Page 106, line 10, delete "(6)" and insert "(7)"

Page 124, line 27, delete the comma

Page 124, line 28, delete the comma

Page 127, delete subdivision 5 and insert:

"Subd. 5. Test results. (a) If a sample meets the applicable testing standards, a cannabis testing facility shall issue a certification to a cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, medical cannabis cultivator, or medical cannabis processor, and the cannabis business or hemp business may then sell or transfer the batch of cannabis flower, cannabis products, synthetically derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products from which the sample was taken to another cannabis business or hemp business, or offer the cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products for sale to customers or patients. If a sample does not meet the applicable testing standards or if the testing facility is unable to test for a substance identified pursuant to subdivision

4, paragraph (b), the batch from which the sample was taken shall be subject to procedures established by the office for such batches, including destruction, remediation, or retesting.

(b) A cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, medical cannabis cultivator, or medical cannabis processor must maintain the test results for cannabis flower, cannabis products, synthetically derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products grown, manufactured, or imported by that cannabis business or hemp business for at least five years after the date of testing.

(c) A cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, medical cannabis cultivator, or medical cannabis processor shall make test results maintained by that cannabis business or hemp business available for review by any member of the public upon request. Test results made available to the public must be in plain language."

Page 128, lines 10, 18, and 20, delete "product"

Page 128, line 21, delete "cannabinoid" and insert "cannabis" and delete the second "product"

Page 131, line 14, delete "edible products" and insert "hemp edibles"

Page 133, line 21, delete "cannabinoid" and insert "cannabis"

Page 136, line 25, delete "342.61" and insert "342.62"

Page 145, line 10, delete "cannabinoid" and insert "cannabis"

Page 146, delete article 2 and insert:

"ARTICLE 2

TAXES

Section 1. Minnesota Statutes 2022, section 270B.12, is amended by adding a subdivision to read:

Subd. 4a. **Office of Cannabis Management.** The commissioner may disclose return information to the Office of Cannabis Management for the purpose of and to the extent necessary to administer section 270C.726.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 2. **[270C.726] POSTING OF TAX DELINQUENCY; SALE OF CANNABIS.**

Subdivision 1. **Posting; notice.** (a) Pursuant to the authority to disclose under section 270B.12, subdivision 4a, the commissioner shall, by the 15th of each month, submit to the Office of Cannabis Management a list of all taxpayers subject to the tax imposed by section 295.81 that are required to pay, withhold, or collect the tax imposed by sections 290.02, 290.0922, 290.92, 290.9727, 290.9728, 290.9729, 295.81, or 297A.62, local sales and use tax payable to the commissioner, or a local option

sales and use tax administered and collected by the commissioner, and who are ten days or more delinquent in either filing a tax return or paying the tax.

(b) The commissioner is under no obligation to list a taxpayer whose business is inactive. At least ten days before notifying the Office of Cannabis Management, the commissioner shall notify the taxpayer of the intended action.

(c) The Office of Cannabis Management shall post the list required by this section on the Office of Cannabis Management website . The list must prominently show the date of posting. If a taxpayer previously listed files all returns and pays all taxes specified in this subdivision then due, the commissioner shall notify the Office of Cannabis Management within two business days.

Subd. 2. **Sales prohibited.** Beginning the third business day after the list is posted, no cannabis cultivator, cannabis manufacturer, cannabis microbusiness, cannabis mezzobusiness, cannabis wholesaler, or industrial hemp grower as defined in chapter 342 may sell or deliver any product to a taxpayer included on the posted list.

Subd. 3. **Penalty.** A cannabis cultivator, cannabis manufacturer, cannabis microbusiness, cannabis mezzobusiness, cannabis wholesaler, or industrial hemp grower as defined in chapter 342 who violates subdivision 2 is subject to the penalties provided in sections 342.19 and 342.21.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 3. Minnesota Statutes 2022, section 273.13, subdivision 24, is amended to read:

Subd. 24. **Class 3.** Commercial and industrial property and utility real and personal property is class 3a.

(1) Except as otherwise provided, each parcel of commercial, industrial, or utility real property has a classification rate of 1.5 percent of the first tier of market value, and 2.0 percent of the remaining market value. In the case of contiguous parcels of property owned by the same person or entity, only the value equal to the first-tier value of the contiguous parcels qualifies for the reduced classification rate, except that contiguous parcels owned by the same person or entity shall be eligible for the first-tier value classification rate on each separate business operated by the owner of the property, provided the business is housed in a separate structure. For the purposes of this subdivision, the first tier means the first \$150,000 of market value. Real property owned in fee by a utility for transmission line right-of-way shall be classified at the classification rate for the higher tier.

For purposes of this subdivision, parcels are considered to be contiguous even if they are separated from each other by a road, street, waterway, or other similar intervening type of property. Connections between parcels that consist of power lines or pipelines do not cause the parcels to be contiguous. Property owners who have contiguous parcels of property that constitute separate businesses that may qualify for the first-tier classification rate shall notify the assessor by July 1, for treatment beginning in the following taxes payable year.

(2) All personal property that is: (i) part of an electric generation, transmission, or distribution system; or (ii) part of a pipeline system transporting or distributing water, gas, crude oil, or petroleum products; and (iii) not described in clause (3), and all railroad operating property has a classification rate as provided under clause (1) for the first tier of market value and the remaining market value.

In the case of multiple parcels in one county that are owned by one person or entity, only one first tier amount is eligible for the reduced rate.

(3) The entire market value of personal property that is: (i) tools, implements, and machinery of an electric generation, transmission, or distribution system; (ii) tools, implements, and machinery of a pipeline system transporting or distributing water, gas, crude oil, or petroleum products; or (iii) the mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings, has a classification rate as provided under clause (1) for the remaining market value in excess of the first tier.

(4) Real property used for raising, cultivating, processing, or storing cannabis plants, cannabis flower, or cannabis products for sale has a classification rate as provided under clause (1) for the first tier of market value and the remaining market value. As used in this paragraph, "cannabis plant" has the meaning given in section 342.01, subdivision 18, "cannabis flower" has the meaning given in section 342.01, subdivision 15, and "cannabis product" has the meaning given in section 342.01, subdivision 19.

EFFECTIVE DATE. This section is effective beginning with assessment year 2024 and thereafter.

Sec. 4. Minnesota Statutes 2022, section 275.025, subdivision 2, is amended to read:

Subd. 2. **Commercial-industrial tax capacity.** For the purposes of this section, "commercial-industrial tax capacity" means the tax capacity of all taxable property classified as class 3 or class 5(1) under section 273.13, excluding:

(1) the tax capacity attributable to the first \$150,000 of market value of each parcel of commercial-industrial property as defined under section 273.13, subdivision 24, clauses (1) ~~and~~, (2), and (4);

(2) electric generation attached machinery under class 3; and

(3) property described in section 473.625.

County commercial-industrial tax capacity amounts are not adjusted for the captured net tax capacity of a tax increment financing district under section 469.177, subdivision 2, the net tax capacity of transmission lines deducted from a local government's total net tax capacity under section 273.425, or fiscal disparities contribution and distribution net tax capacities under chapter 276A or 473F. For purposes of this subdivision, the procedures for determining eligibility for tier 1 under section 273.13, subdivision 24, clauses (1) and (2), shall apply in determining the portion of a property eligible to be considered within the first \$150,000 of market value.

EFFECTIVE DATE. This section is effective beginning with assessment year 2024 and thereafter.

Sec. 5. **[289A.33] FILING REQUIREMENTS AND DUE DATES; SPECIAL RULES.**

(a) Upon the request of any cannabis business as defined by section 342.01, subdivision 13, required to collect and remit taxes imposed under section 295.81, chapter 290, or chapter 297A, the

commissioner shall waive the requirement that payment of tax must be made electronically if the failure to pay electronically is because the cannabis business is unable to secure banking services and the inability to secure the services is due to its engagement in cannabis-related business allowed under Minnesota law.

(b) If, in consultation with the commissioner of commerce, the commissioner determines that the inability to find banking services is widespread and enforcement of the electronic payment requirement will significantly impede the ability of cannabis businesses to timely pay taxes imposed under section 295.81, chapter 290, or chapter 297A, the commissioner may publish notice on the department website that waives the requirement to pay the tax electronically. If such notice is published, a cannabis business must file returns and pay taxes lawfully due in the form and manner prescribed by the commissioner.

(c) Nothing in this subdivision relieves a cannabis business from timely filing and paying taxes.

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

Sec. 6. Minnesota Statutes 2022, section 290.0132, subdivision 29, is amended to read:

Subd. 29. **Disallowed section 280E expenses; medical cannabis manufacturers licensees.** The amount of expenses of a medical cannabis ~~manufacturer~~ business, as defined under section ~~152.22, subdivision 7~~ 342.01, subdivision 52, related to the business of medical cannabis under sections ~~152.21 to 152.37~~ 342.47 to 342.59, or a license holder under chapter 342, related to the business of nonmedical cannabis under that chapter, and not allowed for federal income tax purposes under section 280E of the Internal Revenue Code is a subtraction.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2022.

Sec. 7. Minnesota Statutes 2022, section 290.0134, subdivision 19, is amended to read:

Subd. 19. **Disallowed section 280E expenses; medical cannabis manufacturers licensees.** The amount of expenses of a medical cannabis ~~manufacturer~~ business, as defined under section ~~152.22, subdivision 7~~ 342.01, subdivision 52, related to the business of medical cannabis under sections ~~152.21 to 152.37~~ 342.47 to 342.59, or a license holder under chapter 342, related to the business of nonmedical cannabis under that chapter, and not allowed for federal income tax purposes under section 280E of the Internal Revenue Code is a subtraction.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2022.

Sec. 8. **[295.81] CANNABIS GROSS RECEIPTS TAX.**

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

(b) "Bundled transaction" means the retail sale of two or more products when the products are otherwise distinct and identifiable, and the products are sold for one nonitemized price.

(c) "Cannabis flower" has the meaning given in section 342.01, subdivision 15.

(d) "Cannabis product" has the meaning given in section 342.01, subdivision 19.

(e) "Cannabis solution product" means any cartridge, bottle, or other package that contains a taxable cannabis product in a solution that is consumed or meant to be consumed through the use of a heating element, power source, electronic circuit, or other electronic, chemical, or mechanical means that produces vapor or aerosol. A cannabis solution product includes any electronic delivery system, electronic vaping device, electronic vape pen, electronic oral device, electronic delivery device, or similar product or device, and any batteries, heating elements, or other components, parts, or accessories sold with and meant to be used in the consumption of a solution containing a taxable cannabis product.

(f) "Cannabis mezzobusiness" means a cannabis business licensed under section 342.31.

(g) "Cannabis microbusiness" means a cannabis business licensed under section 342.29.

(h) "Cannabis retailer" means a cannabis business licensed under section 342.27.

(i) "Commissioner" means the commissioner of revenue.

(j) "Gross receipts" means the total amount received, in money or by barter or exchange, for all taxable cannabis product sales at retail as measured by the sales price. Gross receipts include but are not limited to delivery charges and packaging costs. Gross receipts do not include:

(1) any taxes imposed directly on the customer that are separately stated on the invoice, bill of sale, or similar document given to the purchaser; and

(2) discounts, including cash, terms, or coupons, that are not reimbursed by a third party and that are allowed by the seller and taken by a purchaser on a sale.

(k) "Hemp-derived consumer product" has the meaning given in section 342.01, subdivision 35.

(l) "Lower-potency hemp edible" has the meaning given in section 342.01, subdivision 49.

(m) "Lower-potency hemp edible retailer" means a cannabis business licensed under section 342.41, subdivision 1, paragraph (b), clause (1).

(n) "Medical cannabis flower" has the meaning given in section 342.01, subdivision 53.

(o) "Medical cannabinoid product" has the meaning given in section 342.01, subdivision 51.

(p) "Medical cannabis paraphernalia" has the meaning given in section 342.01, subdivision 54.

(q) "Retail sale" has the meaning given in section 297A.61, subdivision 4.

(r) "Taxable cannabis product" means cannabis flower, cannabis product, cannabis solution product, hemp-derived consumer product, lower-potency hemp edible, and any substantially similar product.

(s) "Taxable cannabis product retailer" means a retailer that sells any taxable cannabis product and includes a cannabis retailer, cannabis microbusiness, cannabis mezzobusiness, and lower-potency hemp edible retailer. Taxable cannabis product retailer includes but is not limited to a:

(1) retailer maintaining a place of business in this state;

(2) marketplace provider maintaining a place of business in this state, as defined in section 297A.66, subdivision 1, paragraph (a);

(3) retailer not maintaining a place of business in this state; and

(4) marketplace provider not maintaining a place of business in this state, as defined in section 297A.66, subdivision 1, paragraph (b).

Subd. 2. **Gross receipts tax imposed.** (a) A tax equal to ten percent of gross receipts from retail sales in Minnesota of taxable cannabis products is imposed on any taxable cannabis product retailer that sells these products to customers. A taxable cannabis product retailer may but is not required to collect the tax imposed by this section from the purchaser as long as the tax is separately stated on the receipt, invoice, bill of sale, or similar document given to the purchaser.

(b) If a product subject to the tax imposed by this section is included in a bundled transaction, the entire sales price of the bundled transaction is subject to the tax imposed by this section.

(c) The tax imposed under this section is in addition to any other tax imposed on the sale or use of taxable cannabis products.

Subd. 3. **Use tax imposed; credit for taxes paid.** (a) A person that receives taxable cannabis products for use or storage in Minnesota, other than from a taxable cannabis product retailer that paid the tax under subdivision 2, is subject to tax at the rate imposed under subdivision 2. Liability for the tax is incurred when the person has possession of the taxable cannabis product in Minnesota. The tax must be remitted to the commissioner in the same manner prescribed for taxes imposed under chapter 297A.

(b) A person that has paid taxes to another state or any subdivision thereof on the same transaction and is subject to tax under this section is entitled to a credit for the tax legally due and paid to another state or subdivision thereof to the extent of the lesser of (1) the tax actually paid to the other state or subdivision thereof, or (2) the amount of tax imposed by Minnesota on the transaction subject to tax in the other state or subdivision thereof.

Subd. 4. **Exemptions.** (a) The use tax imposed under subdivision 3, paragraph (a), does not apply to the possession, use, or storage of taxable cannabis products if (1) the taxable cannabis products have an aggregate cost in any calendar month to the customer of \$100 or less and (2) the taxable cannabis products were carried into this state by the customer.

(b) The tax imposed under this section does not apply to sales of medical items purchased by or for the patients enrolled in the registry program, including medical cannabis flower, medical cannabinoid products, and medical cannabis paraphernalia.

(c) Unless otherwise specified in this section, the exemptions applicable to taxes imposed under chapter 297A are not applicable to the taxes imposed under this section.

Subd. 5. **Tax collection required.** A taxable cannabis product retailer with nexus in Minnesota, who is not subject to tax under subdivision 2, is required to collect the tax imposed under subdivision 3 from the purchaser of the taxable cannabis product and give the purchaser a receipt for the tax paid. The tax collected must be remitted to the commissioner in the same manner prescribed for the taxes imposed under chapter 297A.

Subd. 6. **Taxes paid to another state or any subdivision thereof; credit.** A taxable cannabis product retailer that has paid taxes to another state or any subdivision thereof measured by gross receipts and is subject to tax under this section on the same gross receipts is entitled to a credit for the tax legally due and paid to another state or any subdivision thereof to the extent of the lesser of (1) the tax actually paid to the other state or any subdivision thereof, or (2) the amount of tax imposed by Minnesota on the gross receipts subject to tax in the other taxing state or any subdivision thereof.

Subd. 7. **Sourcing of sales.** Section 297A.668 applies to the taxes imposed by this section.

Subd. 8. **Administration.** Unless specifically provided otherwise, the audit, assessment, refund, penalty, interest, enforcement, collection remedies, appeal, and administrative provisions of chapters 270C and 289A that are applicable to taxes imposed under chapter 297A, except the requirement to file returns and remit taxes due electronically if the commissioner waives the requirement pursuant to section 289A.33, apply to the tax imposed under this section.

Subd. 9. **Returns; payment of tax.** (a) A taxable cannabis product retailer must report the tax on a return prescribed by the commissioner and must remit the tax in a form and manner prescribed by the commissioner. The return and the tax must be filed and paid using the filing cycle and due dates provided for taxes imposed under section 289A.20, subdivision 4, and chapter 297A.

(b) Interest must be paid on an overpayment refunded or credited to the taxpayer from the date of payment of the tax until the date the refund is paid or credited. For purposes of this subdivision, the date of payment is the due date of the return or the date of actual payment of the tax, whichever is later.

Subd. 10. **Deposit of revenues; account established.** (a) The commissioner must deposit the revenues, including penalties and interest, derived from the tax imposed by this section as follows:

(1) 75 percent to the general fund; and

(2) 25 percent to the local government cannabis aid account in the special revenue fund.

(b) The local government cannabis aid account is established in the special revenue fund.

Subd. 11. **Personal debt.** The tax imposed by this section, and interest and penalties imposed with respect to it, are a personal debt of the person required to file a return from the time that the liability for it arises, irrespective of when the time for payment of the liability occurs. The debt must, in the case of the executor or administrator of the estate of a decedent and in the case of a fiduciary, be that of the person in the person's official or fiduciary capacity only, unless the person has

voluntarily distributed the assets held in that capacity without reserving sufficient assets to pay the tax, interest, and penalties, in which event the person is personally liable for any deficiency.

EFFECTIVE DATE. This section is effective for gross receipts received after June 30, 2023.

Sec. 9. **[295.82] CANNABIS LOCAL TAX PROHIBITED.**

A political subdivision of this state is prohibited from imposing a tax under this section solely on the sale of taxable cannabis products as defined under section 295.81, subdivision 1, paragraph (g).

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

Sec. 10. Minnesota Statutes 2022, section 297A.61, subdivision 3, is amended to read:

Subd. 3. **Sale and purchase.** (a) "Sale" and "purchase" include, but are not limited to, each of the transactions listed in this subdivision. In applying the provisions of this chapter, the terms "tangible personal property" and "retail sale" include the taxable services listed in paragraph (g), clause (6), items (i) to (vi) and (viii), and the provision of these taxable services, unless specifically provided otherwise. Services performed by an employee for an employer are not taxable. Services performed by a partnership or association for another partnership or association are not taxable if one of the entities owns or controls more than 80 percent of the voting power of the equity interest in the other entity. Services performed between members of an affiliated group of corporations are not taxable. For purposes of the preceding sentence, "affiliated group of corporations" means those entities that would be classified as members of an affiliated group as defined under United States Code, title 26, section 1504, disregarding the exclusions in section 1504(b).

(b) Sale and purchase include:

(1) any transfer of title or possession, or both, of tangible personal property, whether absolutely or conditionally, for a consideration in money or by exchange or barter; and

(2) the leasing of or the granting of a license to use or consume, for a consideration in money or by exchange or barter, tangible personal property, other than a manufactured home used for residential purposes for a continuous period of 30 days or more.

(c) Sale and purchase include the production, fabrication, printing, or processing of tangible personal property for a consideration for consumers who furnish either directly or indirectly the materials used in the production, fabrication, printing, or processing.

(d) Sale and purchase include the preparing for a consideration of food. Notwithstanding section 297A.67, subdivision 2, taxable food includes, but is not limited to, the following:

(1) prepared food sold by the retailer;

(2) soft drinks;

(3) candy; and

(4) dietary supplements.

(e) A sale and a purchase includes the furnishing for a consideration of electricity, gas, water, or steam for use or consumption within this state.

(f) A sale and a purchase includes the transfer for a consideration of prewritten computer software whether delivered electronically, by load and leave, or otherwise.

(g) A sale and a purchase includes the furnishing for a consideration of the following services:

(1) the privilege of admission to places of amusement, recreational areas, or athletic events, and the making available of amusement devices, tanning facilities, reducing salons, steam baths, health clubs, and spas or athletic facilities;

(2) lodging and related services by a hotel, rooming house, resort, campground, motel, or trailer camp, including furnishing the guest of the facility with access to telecommunication services, and the granting of any similar license to use real property in a specific facility, other than the renting or leasing of it for a continuous period of 30 days or more under an enforceable written agreement that may not be terminated without prior notice and including accommodations intermediary services provided in connection with other services provided under this clause;

(3) nonresidential parking services, whether on a contractual, hourly, or other periodic basis, except for parking at a meter;

(4) the granting of membership in a club, association, or other organization if:

(i) the club, association, or other organization makes available for the use of its members sports and athletic facilities, without regard to whether a separate charge is assessed for use of the facilities; and

(ii) use of the sports and athletic facility is not made available to the general public on the same basis as it is made available to members.

Granting of membership means both onetime initiation fees and periodic membership dues. Sports and athletic facilities include golf courses; tennis, racquetball, handball, and squash courts; basketball and volleyball facilities; running tracks; exercise equipment; swimming pools; and other similar athletic or sports facilities;

(5) delivery of aggregate materials by a third party, excluding delivery of aggregate material used in road construction; and delivery of concrete block by a third party if the delivery would be subject to the sales tax if provided by the seller of the concrete block. For purposes of this clause, "road construction" means construction of:

(i) public roads;

(ii) cartways; and

(iii) private roads in townships located outside of the seven-county metropolitan area up to the point of the emergency response location sign; and

(6) services as provided in this clause:

(i) laundry and dry cleaning services including cleaning, pressing, repairing, altering, and storing clothes, linen services and supply, cleaning and blocking hats, and carpet, drapery, upholstery, and industrial cleaning. Laundry and dry cleaning services do not include services provided by coin operated facilities operated by the customer;

(ii) motor vehicle washing, waxing, and cleaning services, including services provided by coin operated facilities operated by the customer, and rustproofing, undercoating, and towing of motor vehicles;

(iii) building and residential cleaning, maintenance, and disinfecting services and pest control and exterminating services;

(iv) detective, security, burglar, fire alarm, and armored car services; but not including services performed within the jurisdiction they serve by off-duty licensed peace officers as defined in section 626.84, subdivision 1, or services provided by a nonprofit organization or any organization at the direction of a county for monitoring and electronic surveillance of persons placed on in-home detention pursuant to court order or under the direction of the Minnesota Department of Corrections;

(v) pet grooming services;

(vi) lawn care, fertilizing, mowing, spraying and sprigging services; garden planting and maintenance; tree, bush, and shrub pruning, bracing, spraying, and surgery; indoor plant care; tree, bush, shrub, and stump removal, except when performed as part of a land clearing contract as defined in section 297A.68, subdivision 40; and tree trimming for public utility lines. Services performed under a construction contract for the installation of shrubbery, plants, sod, trees, bushes, and similar items are not taxable;

(vii) massages, except when provided by a licensed health care facility or professional or upon written referral from a licensed health care facility or professional for treatment of illness, injury, or disease; and

(viii) the furnishing of lodging, board, and care services for animals in kennels and other similar arrangements, but excluding veterinary and horse boarding services.

(h) A sale and a purchase includes the furnishing for a consideration of tangible personal property or taxable services by the United States or any of its agencies or instrumentalities, or the state of Minnesota, its agencies, instrumentalities, or political subdivisions.

(i) A sale and a purchase includes the furnishing for a consideration of telecommunications services, ancillary services associated with telecommunication services, and pay television services. Telecommunication services include, but are not limited to, the following services, as defined in section 297A.669: air-to-ground radiotelephone service, mobile telecommunication service, postpaid calling service, prepaid calling service, prepaid wireless calling service, and private communication services. The services in this paragraph are taxed to the extent allowed under federal law.

(j) A sale and a purchase includes the furnishing for a consideration of installation if the installation charges would be subject to the sales tax if the installation were provided by the seller of the item being installed.

(k) A sale and a purchase includes the rental of a vehicle by a motor vehicle dealer to a customer when (1) the vehicle is rented by the customer for a consideration, or (2) the motor vehicle dealer is reimbursed pursuant to a service contract as defined in section 59B.02, subdivision 11.

(l) A sale and a purchase includes furnishing for a consideration of specified digital products or other digital products or granting the right for a consideration to use specified digital products or other digital products on a temporary or permanent basis and regardless of whether the purchaser is required to make continued payments for such right. Wherever the term "tangible personal property" is used in this chapter, other than in subdivisions 10 and 38, the provisions also apply to specified digital products, or other digital products, unless specifically provided otherwise or the context indicates otherwise.

(m) The sale of the privilege of admission under section 297A.61, subdivision 3, paragraph (g), clause (1), to a place of amusement, recreational area, or athletic event includes all charges included in the privilege of admission's sales price, without deduction for amenities that may be provided, unless the amenities are separately stated and the purchaser of the privilege of admission is entitled to add or decline the amenities, and the amenities are not otherwise taxable.

(n) A sale and purchase includes the transfer for consideration of a taxable cannabis product as defined in section 295.81, subdivision 1, paragraph (q).

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2023.

Sec. 11. Minnesota Statutes 2022, section 297A.67, subdivision 2, is amended to read:

Subd. 2. **Food and food ingredients.** Except as otherwise provided in this subdivision, food and food ingredients are exempt. For purposes of this subdivision, "food" and "food ingredients" mean substances, whether in liquid, concentrated, solid, frozen, dried, or dehydrated form, that are sold for ingestion or chewing by humans and are consumed for their taste or nutritional value. Food and food ingredients exempt under this subdivision do not include candy, soft drinks, dietary supplements, and prepared foods. Food and food ingredients do not include alcoholic beverages ~~and~~ tobacco, taxable cannabis products, medical cannabis flower, and medical cannabinoid products. For purposes of this subdivision, "alcoholic beverages" means beverages that are suitable for human consumption and contain one-half of one percent or more of alcohol by volume. For purposes of this subdivision, "tobacco" means cigarettes, cigars, chewing or pipe tobacco, or any other item that contains tobacco. For purposes of this subdivision, "taxable cannabis product" has the meaning given in section 295.81, subdivision 1, paragraph (q), "medical cannabis flower" has the meaning given in section 342.01, subdivision 53, and "medical cannabinoid product" has the meaning given in section 342.01, subdivision 51. For purposes of this subdivision, "dietary supplements" means any product, other than tobacco, intended to supplement the diet that:

(1) contains one or more of the following dietary ingredients:

(i) a vitamin;

(ii) a mineral;

(iii) an herb or other botanical;

(iv) an amino acid;

(v) a dietary substance for use by humans to supplement the diet by increasing the total dietary intake; and

(vi) a concentrate, metabolite, constituent, extract, or combination of any ingredient described in items (i) to (v);

(2) is intended for ingestion in tablet, capsule, powder, softgel, gelcap, or liquid form, or if not intended for ingestion in such form, is not represented as conventional food and is not represented for use as a sole item of a meal or of the diet; and

(3) is required to be labeled as a dietary supplement, identifiable by the supplement facts box found on the label and as required pursuant to Code of Federal Regulations, title 21, section 101.36.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2023.

Sec. 12. Minnesota Statutes 2022, section 297A.67, subdivision 7, is amended to read:

Subd. 7. **Drugs; medical devices.** (a) Sales of the following drugs and medical devices for human use are exempt:

(1) drugs, including over-the-counter drugs;

(2) single-use finger-pricking devices for the extraction of blood and other single-use devices and single-use diagnostic agents used in diagnosing, monitoring, or treating diabetes;

(3) insulin and medical oxygen for human use, regardless of whether prescribed or sold over the counter;

(4) prosthetic devices;

(5) durable medical equipment for home use only;

(6) mobility enhancing equipment;

(7) prescription corrective eyeglasses; and

(8) kidney dialysis equipment, including repair and replacement parts.

(b) Items purchased in transactions covered by:

(1) Medicare as defined under title XVIII of the Social Security Act, United States Code, title 42, section 1395, et seq.; or

(2) Medicaid as defined under title XIX of the Social Security Act, United States Code, title 42, section 1396, et seq.

(c) For purposes of this subdivision:

(1) "Drug" means a compound, substance, or preparation, and any component of a compound, substance, or preparation, other than food and food ingredients, dietary supplements, taxable cannabis products as defined under section 295.81, subdivision 1, paragraph (q), or alcoholic beverages that is:

(i) recognized in the official United States Pharmacopoeia, official Homeopathic Pharmacopoeia of the United States, or official National Formulary, and supplement to any of them;

(ii) intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease; or

(iii) intended to affect the structure or any function of the body.

(2) "Durable medical equipment" means equipment, including repair and replacement parts, including single-patient use items, but not including mobility enhancing equipment, that:

(i) can withstand repeated use;

(ii) is primarily and customarily used to serve a medical purpose;

(iii) generally is not useful to a person in the absence of illness or injury; and

(iv) is not worn in or on the body.

For purposes of this clause, "repair and replacement parts" includes all components or attachments used in conjunction with the durable medical equipment, including repair and replacement parts which are for single patient use only.

(3) "Mobility enhancing equipment" means equipment, including repair and replacement parts, but not including durable medical equipment, that:

(i) is primarily and customarily used to provide or increase the ability to move from one place to another and that is appropriate for use either in a home or a motor vehicle;

(ii) is not generally used by persons with normal mobility; and

(iii) does not include any motor vehicle or equipment on a motor vehicle normally provided by a motor vehicle manufacturer.

(4) "Over-the-counter drug" means a drug that contains a label that identifies the product as a drug as required by Code of Federal Regulations, title 21, section 201.66. The label must include a "drug facts" panel or a statement of the active ingredients with a list of those ingredients contained in the compound, substance, or preparation. Over-the-counter drugs do not include grooming and hygiene products, regardless of whether they otherwise meet the definition. "Grooming and hygiene products" are soaps, cleaning solutions, shampoo, toothpaste, mouthwash, antiperspirants, and suntan lotions and sunscreens.

(5) "Prescribed" and "prescription" means a direction in the form of an order, formula, or recipe issued in any form of oral, written, electronic, or other means of transmission by a duly licensed health care professional.

(6) "Prosthetic device" means a replacement, corrective, or supportive device, including repair and replacement parts, worn on or in the body to:

- (i) artificially replace a missing portion of the body;
- (ii) prevent or correct physical deformity or malfunction; or
- (iii) support a weak or deformed portion of the body.

Prosthetic device does not include corrective eyeglasses.

(7) "Kidney dialysis equipment" means equipment that:

(i) is used to remove waste products that build up in the blood when the kidneys are not able to do so on their own; and

(ii) can withstand repeated use, including multiple use by a single patient, notwithstanding the provisions of clause (2).

(8) A transaction is covered by Medicare or Medicaid if any portion of the cost of the item purchased in the transaction is paid for or reimbursed by the federal government or the state of Minnesota pursuant to the Medicare or Medicaid program, by a private insurance company administering the Medicare or Medicaid program on behalf of the federal government or the state of Minnesota, or by a managed care organization for the benefit of a patient enrolled in a prepaid program that furnishes medical services in lieu of conventional Medicare or Medicaid coverage pursuant to agreement with the federal government or the state of Minnesota.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2023.

Sec. 13. Minnesota Statutes 2022, section 297A.70, subdivision 2, is amended to read:

Subd. 2. **Sales to government.** (a) All sales, except those listed in paragraph (b), to the following governments and political subdivisions, or to the listed agencies or instrumentalities of governments and political subdivisions, are exempt:

(1) the United States and its agencies and instrumentalities;

(2) school districts, local governments, the University of Minnesota, state universities, community colleges, technical colleges, state academies, the Perpich Minnesota Center for Arts Education, and an instrumentality of a political subdivision that is accredited as an optional/special function school by the North Central Association of Colleges and Schools;

(3) hospitals and nursing homes owned and operated by political subdivisions of the state of tangible personal property and taxable services used at or by hospitals and nursing homes;

(4) notwithstanding paragraph (d), the sales and purchases by the Metropolitan Council of vehicles and repair parts to equip operations provided for in section 473.4051 are exempt through December 31, 2016;

(5) other states or political subdivisions of other states, if the sale would be exempt from taxation if it occurred in that state; and

(6) public libraries, public library systems, multicounty, multitype library systems as defined in section 134.001, county law libraries under chapter 134A, state agency libraries, the state library under section 480.09, and the Legislative Reference Library.

(b) This exemption does not apply to the sales of the following products and services:

(1) building, construction, or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration, or repair of a building or facility;

(2) construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities;

(3) the leasing of a motor vehicle as defined in section 297B.01, subdivision 11, except for leases entered into by the United States or its agencies or instrumentalities;

(4) lodging as defined under section 297A.61, subdivision 3, paragraph (g), clause (2), ~~and~~ prepared food, candy, soft drinks, ~~and~~ alcoholic beverages as defined in section 297A.67, subdivision 2, and taxable cannabis products as defined under section 295.81, subdivision 1, paragraph (q), except for lodging, prepared food, candy, soft drinks, ~~and~~ alcoholic beverages, and taxable cannabis products purchased directly by the United States or its agencies or instrumentalities; or

(5) goods or services purchased by a local government as inputs to a liquor store, gas or electric utility, solid waste hauling service, solid waste recycling service, landfill, golf course, marina, campground, cafe, or laundromat.

(c) As used in this subdivision, "school districts" means public school entities and districts of every kind and nature organized under the laws of the state of Minnesota, and any instrumentality of a school district, as defined in section 471.59.

(d) For purposes of the exemption granted under this subdivision, "local governments" has the following meaning:

(1) for the period prior to January 1, 2017, local governments means statutory or home rule charter cities, counties, and townships; and

(2) beginning January 1, 2017, local governments means statutory or home rule charter cities, counties, and townships; special districts as defined under section 6.465; any instrumentality of a statutory or home rule charter city, county, or township as defined in section 471.59; and any joint powers board or organization created under section 471.59.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2023.

Sec. 14. Minnesota Statutes 2022, section 297A.70, subdivision 4, is amended to read:

Subd. 4. **Sales to nonprofit groups.** (a) All sales, except those listed in paragraph (b), to the following "nonprofit organizations" are exempt:

(1) a corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, or educational purposes if the item purchased is used in the performance of charitable, religious, or educational functions;

(2) any senior citizen group or association of groups that:

(i) in general limits membership to persons who are either age 55 or older, or persons with a physical disability;

(ii) is organized and operated exclusively for pleasure, recreation, and other nonprofit purposes, not including housing, no part of the net earnings of which inures to the benefit of any private shareholders; and

(iii) is an exempt organization under section 501(c) of the Internal Revenue Code; and

(3) an organization that qualifies for an exemption for memberships under subdivision 12 if the item is purchased and used in the performance of the organization's mission.

For purposes of this subdivision, charitable purpose includes the maintenance of a cemetery owned by a religious organization.

(b) This exemption does not apply to the following sales:

(1) building, construction, or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration, or repair of a building or facility;

(2) construction materials purchased by tax-exempt entities or their contractors to be used in constructing buildings or facilities that will not be used principally by the tax-exempt entities;

(3) lodging as defined under section 297A.61, subdivision 3, paragraph (g), clause (2), ~~and~~ prepared food, candy, soft drinks, taxable cannabis product as defined under section 295.81, subdivision 1, paragraph (q), and alcoholic beverages as defined in section 297A.67, subdivision 2, except wine purchased by an established religious organization for sacramental purposes or as allowed under subdivision 9a; and

(4) leasing of a motor vehicle as defined in section 297B.01, subdivision 11, except as provided in paragraph (c).

(c) This exemption applies to the leasing of a motor vehicle as defined in section 297B.01, subdivision 11, only if the vehicle is:

(1) a truck, as defined in section 168.002, a bus, as defined in section 168.002, or a passenger automobile, as defined in section 168.002, if the automobile is designed and used for carrying more than nine persons including the driver; and

(2) intended to be used primarily to transport tangible personal property or individuals, other than employees, to whom the organization provides service in performing its charitable, religious, or educational purpose.

(d) A limited liability company also qualifies for exemption under this subdivision if (1) it consists of a sole member that would qualify for the exemption, and (2) the items purchased qualify for the exemption.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2023.

Sec. 15. Minnesota Statutes 2022, section 297A.70, subdivision 18, is amended to read:

Subd. 18. **Nursing homes and boarding care homes.** (a) All sales, except those listed in paragraph (b), to a nursing home licensed under section 144A.02 or a boarding care home certified as a nursing facility under title 19 of the Social Security Act are exempt if the facility:

(1) is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code; and

(2) is certified to participate in the medical assistance program under title 19 of the Social Security Act, or certifies to the commissioner that it does not discharge residents due to the inability to pay.

(b) This exemption does not apply to the following sales:

(1) building, construction, or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration, or repair of a building or facility;

(2) construction materials purchased by tax-exempt entities or their contractors to be used in constructing buildings or facilities that will not be used principally by the tax-exempt entities;

(3) lodging as defined under section 297A.61, subdivision 3, paragraph (g), clause (2), ~~and~~ prepared food, candy, soft drinks, and alcoholic beverages as defined in section 297A.67, subdivision 2, and taxable cannabis products as defined under section 295.81, subdivision 1, paragraph (q); and

(4) leasing of a motor vehicle as defined in section 297B.01, subdivision 11, except as provided in paragraph (c).

(c) This exemption applies to the leasing of a motor vehicle as defined in section 297B.01, subdivision 11, only if the vehicle is:

(1) a truck, as defined in section 168.002; a bus, as defined in section 168.002; or a passenger automobile, as defined in section 168.002, if the automobile is designed and used for carrying more than nine persons including the driver; and

(2) intended to be used primarily to transport tangible personal property or residents of the nursing home or boarding care home.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2023.

Sec. 16. Minnesota Statutes 2022, section 297A.85, is amended to read:

297A.85 CANCELLATION OF PERMITS.

The commissioner may cancel a permit if one of the following conditions occurs:

- (1) the permit holder has not filed a sales or use tax return for at least one year;
- (2) the permit holder has not reported any sales or use tax liability on the permit holder's returns for at least two years;
- (3) the permit holder requests cancellation of the permit;
- (4) the permit is subject to cancellation under section 270C.722, subdivision 2, paragraph (a);
or
- (5) the permit is subject to cancellation under section 297A.84; or
- (6) the permit holder is a taxable cannabis product retailer as defined in section 295.81, subdivision 1, paragraph (r), other than a lower-potency hemp edible retailer as licensed under section 342.43, subdivision 1, and its license to sell a taxable cannabis product as defined in section 295.81, subdivision 1, paragraph (q), has been revoked by the Office of Cannabis Management.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 17. Minnesota Statutes 2022, section 297D.01, is amended to read:

297D.01 DEFINITIONS.

Subdivision 1. **Marijuana illegal cannabis.** "Marijuana" "Illegal cannabis" means any marijuana taxable cannabis product as defined in section 295.81, subdivision 1, paragraph (q), whether real or counterfeit, ~~as defined in section 152.01, subdivision 9,~~ that is held, possessed, transported, transferred, sold, or offered to be sold in violation of chapter 342 or Minnesota criminal laws.

Subd. 2. **Controlled substance.** "Controlled substance" means any drug or substance, whether real or counterfeit, as defined in section 152.01, subdivision 4, that is held, possessed, transported, transferred, sold, or offered to be sold in violation of Minnesota laws. "Controlled substance" does not include marijuana illegal cannabis.

Subd. 3. **Tax obligor or obligor.** "Tax obligor" or "obligor" means a person who in violation of Minnesota law manufactures, produces, ships, transports, or imports into Minnesota or in any manner acquires or possesses more than 42-1/2 grams of marijuana illegal cannabis, or seven or more grams of any controlled substance, or ten or more dosage units of any controlled substance which is not sold by weight. A quantity of marijuana illegal cannabis or other controlled substance is measured by the weight of the substance whether pure or impure or dilute, or by dosage units when the substance is not sold by weight, in the tax obligor's possession. A quantity of a controlled

substance is dilute if it consists of a detectable quantity of pure controlled substance and any excipients or fillers.

Subd. 4. **Commissioner.** "Commissioner" means the commissioner of revenue.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 18. Minnesota Statutes 2022, section 297D.04, is amended to read:

297D.04 TAX PAYMENT REQUIRED FOR POSSESSION.

No tax obligor may possess any ~~marijuana~~ illegal cannabis or controlled substance upon which a tax is imposed by section 297D.08 unless the tax has been paid on the ~~marijuana~~ illegal cannabis or ~~other~~ a controlled substance as evidenced by a stamp or other official indicia.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 19. Minnesota Statutes 2022, section 297D.06, is amended to read:

297D.06 PHARMACEUTICALS.

Nothing in this chapter requires persons registered under chapter 151 or otherwise lawfully in possession of ~~marijuana~~ illegal cannabis or a controlled substance to pay the tax required under this chapter.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 20. Minnesota Statutes 2022, section 297D.07, is amended to read:

297D.07 MEASUREMENT.

For the purpose of calculating the tax under section 297D.08, a quantity of ~~marijuana~~ illegal cannabis or ~~other~~ a controlled substance is measured by the weight of the substance whether pure or impure or dilute, or by dosage units when the substance is not sold by weight, in the tax obligor's possession. A quantity of a controlled substance is dilute if it consists of a detectable quantity of pure controlled substance and any excipients or fillers.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 21. Minnesota Statutes 2022, section 297D.08, is amended to read:

297D.08 TAX RATE.

A tax is imposed on ~~marijuana~~ illegal cannabis and controlled substances as defined in section 297D.01 at the following rates:

- (1) on each gram of ~~marijuana~~ illegal cannabis, or each portion of a gram, \$3.50; and
- (2) on each gram of controlled substance, or portion of a gram, \$200; or

(3) on each ten dosage units of a controlled substance that is not sold by weight, or portion thereof, \$400.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 22. Minnesota Statutes 2022, section 297D.085, is amended to read:

297D.085 CREDIT FOR PREVIOUSLY PAID TAXES.

If another state or local unit of government has previously assessed an excise tax on the ~~marijuana~~ illegal cannabis or controlled substances, the taxpayer must pay the difference between the tax due under section 297D.08 and the tax previously paid. If the tax previously paid to the other state or local unit of government was equal to or greater than the tax due under section 297D.08, no tax is due. The burden is on the taxpayer to show that an excise tax on the ~~marijuana~~ illegal cannabis or controlled substances has been paid to another state or local unit of government.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 23. Minnesota Statutes 2022, section 297D.09, subdivision 1a, is amended to read:

Subd. 1a. **Criminal penalty; sale without affixed stamps.** In addition to the tax penalty imposed, a tax obligor distributing or possessing ~~marijuana~~ illegal cannabis or controlled substances without affixing the appropriate stamps, labels, or other indicia is guilty of a crime and, upon conviction, 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.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 24. Minnesota Statutes 2022, section 297D.10, is amended to read:

297D.10 STAMP PRICE.

Official stamps, labels, or other indicia to be affixed to all ~~marijuana~~ illegal cannabis or controlled substances shall be purchased from the commissioner. The purchaser shall pay 100 percent of face value for each stamp, label, or other indicia at the time of the purchase.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 25. Minnesota Statutes 2022, section 297D.11, is amended to read:

297D.11 PAYMENT DUE.

Subdivision 1. **Stamps affixed.** When a tax obligor purchases, acquires, transports, or imports into this state ~~marijuana~~ illegal cannabis or controlled substances on which a tax is imposed by section 297D.08, and if the indicia evidencing the payment of the tax have not already been affixed, the tax obligor shall have them permanently affixed on the ~~marijuana~~ illegal cannabis or controlled substance immediately after receiving the substance. Each stamp or other official indicia may be used only once.

Subd. 2. **Payable on possession.** Taxes imposed upon ~~marijuana~~ illegal cannabis or controlled substances by this chapter are due and payable immediately upon acquisition or possession in this state by a tax obligor.

EFFECTIVE DATE. This section is effective June 30, 2023.

Sec. 26. **[477A.31] LOCAL GOVERNMENT CANNABIS AID.**

Subdivision 1. **Certification to commissioner of revenue.** (a) By July 15, 2024, and annually thereafter, the commissioner of management and budget must certify to the commissioner of revenue the balance of the local government cannabis aid account in the special revenue fund at the close of the previous fiscal year.

(b) By June 1, 2024, and annually thereafter, the director of the office of cannabis management under section 342.02 must certify to the commissioner of revenue the number of cannabis businesses, as defined under section 342.01, subdivision 13, licensed under chapter 342 as of the previous January 1, disaggregated by county and city.

Subd. 2. **Aid to counties.** (a) Beginning for aid payable in 2024, the amount available for aid to counties under this subdivision equals 50 percent of the amount certified in that year to the commissioner under subdivision 1, paragraph (a).

(b) Twenty percent of the amount under paragraph (a) must be distributed equally among all counties.

(c) Eighty percent of the amount under paragraph (a) must be distributed proportionally to each county according to the number of cannabis businesses located in the county as compared to the number of cannabis businesses in all counties as of the most recent certification under subdivision 1, paragraph (b).

Subd. 3. **Aid to cities.** (a) Beginning for aid payable in 2024, the amount available for aid to cities under this subdivision equals 50 percent of the amount certified in that year to the commissioner under subdivision 1, paragraph (a).

(b) The amount under paragraph (a) must be distributed proportionally to each city according to the number of cannabis businesses located in the city as compared to the number of cannabis businesses in all cities as of the most recent certification under subdivision 1, paragraph (b).

Subd. 4. **Payment.** The commissioner of revenue must compute the amount of aid payable to each county and city under this section. On or before August 1 of each year, the commissioner must certify the amount to be paid to each county and city in that year. The commissioner must pay the full amount of the aid on December 26 annually.

Subd. 5. **Appropriation.** Beginning in fiscal year 2025 and annually thereafter, the amount in the local government cannabis aid account in the special revenue fund is annually appropriated to the commissioner of revenue to make the aid payments required under this section.

EFFECTIVE DATE. This section is effective July 1, 2023."

Page 175, line 22, delete "Cannabinoid" and insert "Cannabis" and delete "Cannabinoid" and insert "Cannabis"

Page 175, line 23, delete "2" and insert "19"

Page 175, line 27, delete "3" and insert "14"

Page 175, line 31, delete "16" and insert "15"

Page 176, line 3, delete "cannabinoid" and insert "cannabis" and delete "cannabinoid" and insert "cannabis"

Page 176, line 8, delete "19" and insert "18"

Page 179, line 18, delete "cannabinoid" and insert "cannabis"

Page 187, line 1, delete "any"

Page 187, lines 1 and 11, delete "cannabinoid" and insert "cannabis"

Page 187, line 11, delete the first "or" and insert a comma and after the first "product" insert a comma

Page 197, line 19, delete the third comma and insert "for any purposes," and delete "but not limited for"

Page 205, line 5, delete "16" and insert "15"

Page 205, lines 24 and 30, delete "cannabinoid" and insert "cannabis"

Page 205, line 25, delete "2" and insert "4"

Page 205, line 27, delete "4" and insert "3"

Page 206, lines 6, 12, 14, 15, 18, and 28, delete "cannabinoid" and insert "cannabis"

Page 207, lines 2, 9, and 12, delete "cannabinoid" and insert "cannabis"

Page 207, line 7, delete "16" and insert "15"

Page 208, delete section 6 and insert:

"Sec. 6. Minnesota Statutes 2022, section 34A.01, is amended by adding a subdivision to read:

Subd. 4a. **Food.** "Food" means every ingredient used for, entering into the consumption of, or used or intended for use in the preparation of food, drink, confectionery, or condiment for humans or other animals, whether simple, mixed, or compound; and articles used as components of these ingredients, except that edible cannabis products, as defined in section 342.01, subdivision 29, and lower-potency hemp edibles, as defined in section 342.01, subdivision 49, are not food.

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

Page 210, line 25, after "flower" insert "and cannabis product" and delete "and the use of"

Page 210, line 26, delete everything before "in"

Page 210, line 32, after "flower" insert "and"

Page 211, line 1, delete everything before "cannabis" and delete "products" and insert "product use"

Pages 212 to 219, delete sections 12 to 22

Page 219, line 18, after the period, insert "This section expires January 1, 2024."

Page 220, line 4, delete "16" and insert "15" and delete "2" and insert "19"

Page 220, line 20, delete "16" and insert "15"

Page 220, line 21, delete "2" and insert "19"

Page 221, line 6, delete "16" and insert "15"

Page 221, line 7, delete "2" and insert "19"

Page 222, line 8, delete "cannabinoid" and insert "cannabis"

Page 223, line 15, delete "cannabinoid" and insert "cannabis"

Page 236, line 17, after "LOWER-POTENCY" insert "HEMP"

Page 236, line 18, delete "PRODUCTS" and insert "RETAILER"

Page 236, line 23, before "edible" insert "hemp" and delete "product"

Page 247, after line 25, insert:

"(e) Minnesota Statutes 2022, sections 34A.01, subdivision 4; and 151.72, are repealed."

Page 247, line 27, after the second period, insert "Paragraph (e) is effective July 1, 2024."

Page 248, delete lines 9 and 20

Page 253, line 24, delete "an" and insert "a"

Page 256, delete line 21

Page 256, before line 22, insert:

"Sec. 4. Minnesota Statutes 2022, section 152.22, is amended by adding a subdivision to read:

Subd. 5d. **Indian lands.** (a) "Indian lands" means all lands within the limits of any Indian reservation within the boundaries of Minnesota and any lands within the boundaries of Minnesota,

title to which are either held in trust by the United States or over which an Indian Tribe exercises governmental power.

(b) This subdivision expires January 1, 2024.

Sec. 5. Minnesota Statutes 2022, section 152.22, is amended by adding a subdivision to read:

Subd. 15. **Tribal medical cannabis board.** (a) "Tribal medical cannabis board" means an agency established by each federally recognized Tribal government and duly authorized by that Tribe's governing body to perform regulatory oversight and monitor compliance with a Tribal medical cannabis program and applicable regulations.

(b) This subdivision expires January 1, 2024.

Sec. 6. Minnesota Statutes 2022, section 152.22, is amended by adding a subdivision to read:

Subd. 16. **Tribal medical cannabis program.** (a) "Tribal medical cannabis program" means a program established by a federally recognized Tribal government within the boundaries of Minnesota regarding the commercial production, processing, sale or distribution, and possession of medical cannabis and medical cannabis products.

(b) This subdivision expires January 1, 2024.

Sec. 7. Minnesota Statutes 2022, section 152.22, is amended by adding a subdivision to read:

Subd. 17. **Tribal medical cannabis program manufacturer.** (a) "Tribal medical cannabis program manufacturer" means an entity designated by a Tribal medical cannabis board within the boundaries of Minnesota or a federally recognized Tribal government within the boundaries of Minnesota to engage in production, processing, and sale or distribution of medical cannabis and medical cannabis products under that Tribe's Tribal medical cannabis program.

(b) This subdivision expires January 1, 2024.

Sec. 8. Minnesota Statutes 2022, section 152.22, is amended by adding a subdivision to read:

Subd. 18. **Tribal medical cannabis program patient.** (a) "Tribal medical cannabis program patient" means a person who possesses a valid registration verification card or equivalent document that is issued under the laws or regulations of a Tribal nation within the boundaries of Minnesota and that verifies that the person is enrolled in or authorized to participate in that Tribal nation's Tribal medical cannabis program.

(b) This subdivision expires January 1, 2024.

Sec. 9. Minnesota Statutes 2022, section 152.29, subdivision 4, is amended to read:

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

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

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

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

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

Sec. 10. Minnesota Statutes 2022, section 152.29, is amended by adding a subdivision to read:

Subd. 5. **Distribution to Tribal medical cannabis program patient.** (a) A manufacturer may distribute medical cannabis in accordance with subdivisions 1 to 4 to a Tribal medical cannabis program patient.

(b) Prior to distribution, the Tribal medical cannabis program patient must provide to the manufacturer:

(1) a valid medical cannabis registration verification card or equivalent document issued by a Tribal medical cannabis program that indicates that the Tribal medical cannabis program patient is authorized to use medical cannabis on Indian lands over which the Tribe has jurisdiction; and

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

(c) A manufacturer shall distribute medical cannabis to a Tribal medical cannabis program patient only in a form allowed under section 152.22, subdivision 6.

(d) This subdivision expires January 1, 2024.

Sec. 11. [152.291] TRIBAL MEDICAL CANNABIS PROGRAM MANUFACTURER TRANSPORTATION.

(a) A Tribal medical cannabis program manufacturer may transport medical cannabis to testing laboratories in the state and to other Indian lands.

(b) A Tribal medical cannabis program manufacturer must staff a motor vehicle used to transport medical cannabis with at least two employees of the manufacturer. Each employee in the transport vehicle must carry identification specifying that the employee is an employee of the manufacturer, and one employee in the transport vehicle must carry a detailed transportation manifest that includes the place and time of departure, the address of the destination, and a description and count of the medical cannabis being transported.

(c) This section expires January 1, 2024.

Sec. 12. Minnesota Statutes 2022, section 152.30, is amended to read:

152.30 PATIENT DUTIES.

(a) A patient shall apply to the commissioner for enrollment in the registry program by submitting an application as required in section 152.27 and an annual registration fee as determined under section 152.35.

(b) As a condition of continued enrollment, patients shall agree to:

(1) continue to receive regularly scheduled treatment for their qualifying medical condition from their health care practitioner; and

(2) report changes in their qualifying medical condition to their health care practitioner.

(c) A patient shall only receive medical cannabis from a registered manufacturer or Tribal medical cannabis program but is not required to receive medical cannabis products from only a registered manufacturer or Tribal medical cannabis program.

Sec. 13. Minnesota Statutes 2022, section 152.32, is amended to read:

152.32 PROTECTIONS FOR REGISTRY PROGRAM OR TRIBAL MEDICAL CANNABIS PROGRAM PARTICIPATION.

Subdivision 1. **Presumption.** (a) There is a presumption that a patient enrolled in the registry program under sections 152.22 to 152.37 or a Tribal medical cannabis program patient is engaged in the authorized use of medical cannabis.

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

(1) a patient's conduct related to use of medical cannabis was not for the purpose of treating or alleviating the patient's qualifying medical condition or symptoms associated with the patient's qualifying medical condition; or

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

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

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

(2) possession, dosage determination, or sale of medical cannabis or medical cannabis products by a medical cannabis manufacturer, employees of a manufacturer, a Tribal medical cannabis

program manufacturer, employees of a Tribal medical cannabis program manufacturer, a laboratory conducting testing on medical cannabis, or employees of the laboratory; and

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

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

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

(d) Notwithstanding any law to the contrary, the commissioner, the governor of Minnesota, or an employee of any state agency may not be held civilly or criminally liable for any injury, loss of property, personal injury, or death caused by any act or omission while acting within the scope of office or employment under sections 152.22 to 152.37.

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

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

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

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

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

(j) ~~Possession of a registry verification or application for enrollment in the program by a person entitled to possess or apply for enrollment in the registry program does~~ The following do not constitute

probable cause or reasonable suspicion, ~~nor~~ and shall ~~it~~ not be used to support a search of the person or property of the person possessing or applying for the registry verification or equivalent, or otherwise subject the person or property of the person to inspection by any governmental agency:

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

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

Subd. 3. **Discrimination prohibited.** (a) No school or landlord may refuse to enroll or lease to and may not otherwise penalize a person solely for the person's status as a patient enrolled in the registry program under sections 152.22 to 152.37 or for the person's status as a Tribal medical cannabis program patient, unless failing to do so would violate federal law or regulations or cause the school or landlord to lose a monetary or licensing-related benefit under federal law or regulations.

(b) For the purposes of medical care, including organ transplants, a registry program enrollee's use of medical cannabis under sections 152.22 to 152.37, or a Tribal medical cannabis program patient's use of medical cannabis as authorized by the Tribal medical cannabis program, is considered the equivalent of the authorized use of any other medication used at the discretion of a physician, advanced practice registered nurse, or physician assistant and does not constitute the use of an illicit substance or otherwise disqualify a patient from needed medical care.

(c) Unless a failure to do so would violate federal law or regulations or cause an employer to lose a monetary or licensing-related benefit under federal law or regulations, an employer may not discriminate against a person in hiring, termination, or any term or condition of employment, or otherwise penalize a person, if the discrimination is based upon ~~either~~ any of the following:

(1) the person's status as a patient enrolled in the registry program under sections 152.22 to 152.37; ~~or~~

(2) the person's status as a Tribal medical cannabis program patient; or

~~(2)~~ (3) a patient's positive drug test for cannabis components or metabolites, unless the patient used, possessed, or was impaired by medical cannabis on the premises of the place of employment or during the hours of employment.

(d) An employee who is required to undergo employer drug testing pursuant to section 181.953 may present verification of enrollment in the patient registry or of enrollment in a Tribal medical cannabis program as part of the employee's explanation under section 181.953, subdivision 6.

(e) A person shall not be denied custody of a minor child or visitation rights or parenting time with a minor child solely based on the person's status as a patient enrolled in the registry program under sections 152.22 to 152.37, or on the person's status as a Tribal medical cannabis program patient. There shall be no presumption of neglect or child endangerment for conduct allowed under sections 152.22 to 152.37 or under a Tribal medical cannabis program, unless the person's behavior

is such that it creates an unreasonable danger to the safety of the minor as established by clear and convincing evidence.

Sec. 14. Minnesota Statutes 2022, section 152.33, subdivision 1, is amended to read:

Subdivision 1. **Intentional diversion; criminal penalty.** In addition to any other applicable penalty in law, a manufacturer or an agent of a manufacturer who intentionally transfers medical cannabis to a person other than another registered manufacturer, a patient, a Tribal medical cannabis program patient, a registered designated caregiver or, if listed on the registry verification, a parent, legal guardian, or spouse of a patient is guilty of a felony punishable by imprisonment for not more than two years or by payment of a fine of not more than \$3,000, or both. A person convicted under this subdivision may not continue to be affiliated with the manufacturer and is disqualified from further participation under sections 152.22 to 152.37."

Page 257, line 16, after the period insert "This clause expires July 1, 2024."

Page 257, delete line 21

Page 258, delete line 6

Page 258, delete section 6 and insert:

"Sec. 15. **EFFECTIVE DATE.**

This article is effective the day following final enactment."

Reorder the sections in sequence

Amend the title numbers accordingly

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

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

H.F. No. 2310: A bill for an act relating to state government; appropriating money for environment, natural resources, climate, and energy; modifying prior appropriations; providing for and modifying disposition of certain receipts; modifying and establishing duties, authorities, and prohibitions regarding environment and natural resources; modifying and creating environment and natural resources programs; modifying and creating grant programs; reestablishing Legislative Water Commission; modifying Legislative-Citizen Commission on Minnesota Resources; modifying permit and environmental review requirements; modifying requirements for recreational vehicles; modifying state trail and state park provisions; establishing Lowland Conifer Carbon Reserve; modifying forestry provisions; modifying game and fish provisions; modifying regulation of farmed Cervidae; regulating certain seeds and pesticides; modifying Water Law; providing appointments; modifying and providing for fees; establishing a biennial budget for Department of Commerce, Public Utilities Commission, and energy, climate, and clean energy activities; establishing and modifying provisions governing energy, clean and renewable energy, energy storage, energy use and conservation, and utility regulation; providing for enhanced transportation electrification; adding and modifying

provisions governing Public Utilities Commission proceedings; establishing various clean and renewable energy grant programs; making technical changes; requiring reports; requiring rulemaking; amending Minnesota Statutes 2022, sections 13.643, subdivision 6; 16A.151, subdivision 2; 16A.152, subdivision 2; 16B.325; 16B.58, by adding a subdivision; 16C.135, subdivision 3; 16C.137, subdivision 1; 17.118, subdivision 2; 18B.01, subdivision 31; 18B.09, subdivision 2, by adding a subdivision; 21.82, subdivision 3; 21.86, subdivision 2; 35.155, subdivisions 1, 4, 10, 11, 12, by adding subdivisions; 35.156, subdivision 2, by adding subdivisions; 84.02, by adding a subdivision; 84.0274, subdivision 6; 84.0276; 84.415, subdivisions 3, 6, 7, by adding a subdivision; 84.788, subdivision 5; 84.82, subdivision 2, by adding a subdivision; 84.821, subdivision 2; 84.84; 84.86, subdivision 1; 84.87, subdivision 1; 84.90, subdivision 7; 84.992, subdivisions 2, 5; 84D.02, subdivision 3; 84D.10, subdivision 3; 84D.15, subdivision 2; 85.015, subdivision 10; 85.052, subdivision 6; 85.055, subdivision 1; 85A.01, subdivision 1; 86B.005, by adding a subdivision; 86B.313, subdivision 4; 86B.415, subdivisions 1, 1a, 2, 3, 4, 5, 7; 89A.03, subdivision 5; 90.181, subdivision 2; 97A.015, subdivision 51, by adding a subdivision; 97A.031; 97A.126; 97A.137, subdivision 3; 97A.315, subdivision 1; 97A.401, subdivision 1, by adding a subdivision; 97A.405, subdivision 5; 97A.421, subdivision 3; 97A.473, subdivisions 2, 2a, 2b, 5, 5a; 97A.474, subdivision 2; 97A.475, subdivisions 6, 7, 8, 10, 10a, 11, 12, 13, 41; 97B.031, subdivision 1; 97B.071; 97B.301, subdivision 6; 97B.516; 97B.645, subdivision 9; 97B.668; 97C.087, subdivision 2; 97C.315, subdivision 1; 97C.345, subdivision 1; 97C.355, by adding a subdivision; 97C.371, subdivisions 1, 2, 4; 97C.395, subdivision 1; 97C.601, subdivision 1; 97C.605, subdivisions 1, 2c, 3; 97C.611; 97C.836; 103B.101, subdivisions 2, 9, 16, by adding a subdivision; 103B.103; 103C.501, subdivisions 1, 4, 5, 6, by adding a subdivision; 103D.605, subdivision 5; 103F.505; 103F.511, by adding subdivisions; 103G.005, by adding subdivisions; 103G.2242, subdivision 1; 103G.271, subdivision 6; 103G.287, subdivisions 2, 3; 103G.299, subdivisions 1, 2, 5, 10; 103G.301, subdivisions 2, 6, 7; 115.01, by adding subdivisions; 115.03, subdivision 1, by adding a subdivision; 115.061; 115A.03, by adding a subdivision; 115A.1415; 115A.565, subdivisions 1, 3; 115B.17, subdivision 14; 115B.171, subdivision 3; 115B.52, subdivision 4; 116.06, subdivision 1, by adding subdivisions; 116.07, subdivision 6, by adding subdivisions; 116C.03, subdivision 2a; 116C.779, subdivision 1; 116C.7792; 116P.05, subdivisions 1, 1a, 2; 116P.09, subdivision 6; 116P.11; 116P.15; 116P.16; 116P.18; 168.1295, subdivision 1; 168.27, by adding a subdivision; 171.07, by adding a subdivision; 216B.096, subdivision 11; 216B.1611, by adding a subdivision; 216B.164, by adding a subdivision; 216B.1641; 216B.1645, subdivision 4; 216B.17, subdivision 1; 216B.2402, subdivision 16; 216B.2422, subdivision 7; 216B.2425, subdivision 3; 216B.243, subdivision 8, as amended; 216B.50, subdivision 1; 216B.62, subdivision 3b; 216C.05, subdivision 2; 216C.08; 216C.09; 216C.264, subdivision 5, by adding subdivisions; 216C.375; 216E.01, subdivision 6, by adding a subdivision; 216E.03, subdivisions 1, 3, 5, as amended, 6, 7, as amended; 216E.04, subdivision 2, as amended; 216E.05, subdivision 2; 216E.06; 216E.07; 216E.10; 216H.02, subdivision 1; 237.55; 297A.94; 325E.046; 325F.072, subdivisions 1, 3, by adding a subdivision; 326B.106, subdivision 1; 373.475; 515B.2-103; 515B.3-102; Laws 2005, chapter 97, article 10, section 3, as amended; Laws 2022, chapter 94, section 2, subdivisions 5, 8, 9; proposing coding for new law in Minnesota Statutes, chapters 3; 16B; 18B; 21; 84; 86B; 88; 97A; 97B; 97C; 103B; 103E; 103F; 103G; 115A; 116; 116C; 116P; 123B; 216B; 216C; 325E; 473; 500; repealing Minnesota Statutes 2022, sections 16B.24, subdivision 13; 84.033, subdivision 3; 84.944, subdivision 3; 86B.101; 86B.305; 86B.313, subdivisions 2, 3; 97A.145, subdivision 2; 97C.605, subdivisions 2, 2a, 2b, 5; 103C.501, subdivisions 2, 3; 115.44, subdivision 9; 116.011; 216B.16, subdivision 10; 216C.376; 325E.389; 325E.3891; Minnesota Rules, parts 6100.5000, subparts 3, 4, 5; 6100.5700, subpart 4; 6115.1220, subpart 8;

6256.0500, subparts 2, 2a, 2b, 4, 5, 6, 7, 8; 8400.0500; 8400.0550; 8400.0600, subparts 4, 5; 8400.0900, subparts 1, 2, 4, 5; 8400.1650; 8400.1700; 8400.1750; 8400.1800; 8400.1900.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

ENVIRONMENT AND NATURAL RESOURCES APPROPRIATIONS

Section 1. **ENVIRONMENT AND NATURAL RESOURCES APPROPRIATIONS.**

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

APPROPRIATIONS
Available for the Year
Ending June 30
2024 **2025**

Sec. 2. **POLLUTION CONTROL AGENCY**

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>310,237,000</u>	<u>\$</u>	<u>258,986,000</u>
	<u>Appropriations by Fund</u>			
	<u>2024</u>		<u>2025</u>	
<u>General</u>	<u>185,420,000</u>		<u>130,816,000</u>	
<u>State Government</u>				
<u>Special Revenue</u>	<u>85,000</u>		<u>90,000</u>	
<u>Environmental</u>	<u>105,187,000</u>		<u>107,833,000</u>	
<u>Remediation</u>	<u>19,545,000</u>		<u>20,247,000</u>	

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

The commissioner must present the agency's biennial budget for fiscal years 2026 and 2027 to the legislature in a transparent way by agency division, including the proposed budget bill and presentations of the budget

to committees and divisions with jurisdiction over the agency's budget.

Subd. 2. Environmental Analysis and Outcomes 108,726,000 106,910,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>89,353,000</u>	<u>87,472,000</u>
<u>Environmental</u>	<u>19,174,000</u>	<u>19,233,000</u>
<u>Remediation</u>	<u>199,000</u>	<u>205,000</u>

(a) \$122,000 the first year and \$125,000 the second year are from the general fund for:

(1) a municipal liaison to assist municipalities in implementing and participating in the rulemaking process for water quality standards and navigating the NPDES/SDS permitting process;

(2) enhanced economic analysis in the rulemaking process for water quality standards, including more-specific analysis and identification of cost-effective permitting;

(3) developing statewide economic analyses and templates to reduce the amount of information and time required for municipalities to apply for variances from water quality standards; and

(4) coordinating with the Public Facilities Authority to identify and advocate for the resources needed for municipalities to achieve permit requirements.

(b) \$216,000 the first year and \$219,000 the second year are from the environmental fund for a monitoring program under Minnesota Statutes, section 116.454.

(c) \$132,000 the first year and \$137,000 the second year are for monitoring water quality and operating assistance programs.

(d) \$390,000 the first year and \$399,000 the second year are from the environmental fund

for monitoring ambient air for hazardous pollutants.

(e) \$106,000 the first year and \$109,000 the second year are from the environmental fund for duties related to harmful chemicals in children's products under Minnesota Statutes, sections 116.9401 to 116.9407. Of this amount, \$68,000 the first year and \$70,000 the second year are transferred to the commissioner of health.

(f) \$128,000 the first year and \$132,000 the second year are from the environmental fund for registering wastewater laboratories.

(g) \$1,492,000 the first year and \$1,519,000 the second year are from the environmental fund to continue perfluorochemical biomonitoring in eastern metropolitan communities, as recommended by the Environmental Health Tracking and Biomonitoring Advisory Panel, and to address other environmental health risks, including air quality. The communities must include Hmong and other immigrant farming communities. Of this amount, up to \$1,226,000 the first year and \$1,248,000 the second year are for transfer to the commissioner of health.

(h) \$61,000 the first year and \$62,000 the second year are from the environmental fund for the listing procedures for impaired waters required under this act.

(i) \$72,000 the first year and \$74,000 the second year are from the remediation fund for the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks and for the petroleum remediation program for vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

(j) \$500,000 the first year is to facilitate the collaboration and modeling of greenhouse gas impacts, costs, and benefits of strategies to reduce statewide greenhouse gas emissions. This is a onetime appropriation.

(k) \$87,206,000 the first year and \$87,210,000 the second year are to establish and implement a local government water infrastructure grant program for local governmental units and Tribal governments. Of this amount, \$81,305,000 the first year and \$86,380,000 the second year are for grants to support communities in planning and implementing projects that will allow for adaptation for a changing climate; \$5,000,000 the first year is for a grant to St. Louis County to plan, design, and construct one or more facilities, structures, or other solutions to protect Lake Superior and other waters in the Great Lakes watershed from PFAS contamination from landfill runoff; and \$75,000 the first year is for a grant to the city of Fergus Falls for a two-year water improvement pilot project to address water quality concerns at Lake Alice. The grant may be used to contract for water quality improvement services, testing, necessary infrastructure, training, and maintenance. This appropriation is available until June 30, 2027. The base amount for fiscal year 2026 and later is \$270,000.

(l) \$715,000 the first year and \$200,000 the second year are from the environmental fund to implement Minnesota Statutes, section 116.065, relating to cumulative impacts. The base is \$200,000 in fiscal year 2026 and beyond.

(m) \$907,000 the first year and \$955,000 the second year are from the environmental fund to develop and implement a program related to emerging issues, including *Minnesota's PFAS Blueprint*.

(n) \$1,320,000 the first year and \$1,320,000 the second year are from the environmental

fund to support improved management of data collected by the agency and its partners and regulated parties.

(o) \$393,000 the first year is from the general fund to develop and implement the protocol for the state response to fish kills under Minnesota Statutes, section 103G.2165. The commissioner may transfer money under this paragraph to other agencies participating in developing the protocol. This is a onetime appropriation.

(p) \$500,000 the first year is from the general fund for a report on requirements and options for eliminating or reducing PFAS in firefighter turnout gear. The report must include recommendations for future disposal of turnout gear and protocols for PFAS biomonitoring in firefighters. This is a onetime appropriation.

(q) \$500,000 the first year is from the general fund to develop protocols to be used by agencies and departments for sampling and testing groundwater, surface water, public drinking water, and private wells for microplastics and nanoplastics and to begin implementation. The commissioner of the Pollution Control Agency may transfer money appropriated under this paragraph to the commissioners of agriculture, natural resources, and health to implement the protocols developed under this paragraph. This is a onetime appropriation and is available until June 30, 2025.

(r) \$1,163,000 the first year and \$1,115,000 the second year are from the environmental fund for implementing Minnesota Statutes, section 116.943, relating to products containing PFAS.

<u>Subd. 3. Industrial</u>	<u>41,953,000</u>	<u>22,908,000</u>
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	<u>Appropriations by Fund</u>	
	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>23,664,000</u>	<u>3,964,000</u>

<u>Environmental</u>	<u>16,568,000</u>	<u>17,171,000</u>
<u>Remediation</u>	<u>1,721,000</u>	<u>1,773,000</u>

(a) \$1,621,000 the first year and \$1,670,000 the second year are from the remediation fund for the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks and for the petroleum remediation program for vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

(b) \$448,000 the first year and \$457,000 the second year are from the environmental fund to further evaluate the use and reduction of trichloroethylene around Minnesota and identify its potential health effects on communities. Of this amount, \$145,000 the first year and \$149,000 the second year are transferred to the commissioner of health.

(c) \$4,000 the first year and \$4,000 the second year are from the environmental fund to purchase air emissions monitoring equipment to support compliance and enforcement activities.

(d) \$3,200,000 the first year and \$3,200,000 the second year are to provide air emission reduction grants. Of this amount, \$2,800,000 each year is for grants to reduce air pollution at regulated facilities within environmental justice areas. This appropriation is available until June 30, 2027, and is a onetime appropriation.

(e) \$40,000 the first year and \$40,000 the second year are for air compliance equipment maintenance. This is a onetime appropriation.

(f) \$19,100,000 the first year and \$300,000 the second year are to support research on innovative technologies to treat difficult-to-manage pollutants and for implementation grants based on this research at taconite facilities. Of this amount the first

year, \$2,100,000 is for research and \$16,700,000 is for grants. This appropriation is available until June 30, 2027. This is a onetime appropriation.

(g) \$900,000 the first year is from the general fund for a grant to the Board of Regents of the University of Minnesota for academic and applied research through the MnDRIVE program at the Natural Resources Research Institute to develop and demonstrate technologies that enhance the long-term health and management of Minnesota's water and mineral resources. This appropriation is for continued characterization of Minnesota's iron resources and development of next-generation process technologies for iron products and reduced effluent. This research must be conducted in consultation with the Mineral Coordinating Committee established under Minnesota Statutes, section 93.0015. This is a onetime appropriation.

(h) The total general fund base budget for the industrial division for fiscal year 2026 and later is \$0.

Subd. 4. Municipal

10,555,000

11,203,000

	<u>Appropriations by Fund</u>	
	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>641,000</u>	<u>647,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>85,000</u>	<u>90,000</u>
<u>Environmental</u>	<u>9,829,000</u>	<u>10,466,000</u>

(a) \$217,000 the first year and \$223,000 the second year are for:

(1) a municipal liaison to assist municipalities in implementing and participating in the rulemaking process for water quality standards and navigating the NPDES/SDS permitting process;

(2) enhanced economic analysis in the rulemaking process for water quality standards, including more-specific analysis

and identification of cost-effective permitting;

(3) developing statewide economic analyses and templates to reduce the amount of information and time required for municipalities to apply for variances from water quality standards; and

(4) coordinating with the Public Facilities Authority to identify and advocate for the resources needed for municipalities to achieve permit requirements.

(b) \$50,000 the first year and \$50,000 the second year are from the environmental fund for transfer to the Office of Administrative Hearings to establish sanitary districts.

(c) \$1,240,000 the first year and \$1,338,000 the second year are from the environmental fund for subsurface sewage treatment system (SSTS) program administration and community technical assistance and education, including grants and technical assistance to communities for water-quality protection. Of this amount, \$350,000 each year is for assistance to counties through grants for SSTS program administration. A county receiving a grant from this appropriation must submit the results achieved with the grant to the commissioner as part of its annual SSTS report. Any unexpended balance in the first year does not cancel but is available in the second year.

(d) \$944,000 the first year and \$1,044,000 the second year are from the environmental fund to address the need for continued increased activity in new technology review, technical assistance for local governments, and enforcement under Minnesota Statutes, sections 115.55 to 115.58, and to complete the requirements of Laws 2003, chapter 128, article 1, section 165.

(e) Notwithstanding Minnesota Statutes, section 16A.28, the appropriations

encumbered on or before June 30, 2025, as grants or contracts for subsurface sewage treatment systems, surface water and groundwater assessments, storm water, and water-quality protection in this subdivision are available until June 30, 2028.

(f) The total general fund base budget for the municipal division for fiscal year 2026 and later is \$223,000.

Subd. 5. Operations 31,218,000 29,923,000

	<u>Appropriations by Fund</u>	
	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>20,750,000</u>	<u>19,359,000</u>
<u>Environmental</u>	<u>7,851,000</u>	<u>8,073,000</u>
<u>Remediation</u>	<u>2,617,000</u>	<u>2,491,000</u>

(a) \$1,154,000 the first year and \$1,124,000 the second year are from the remediation fund for the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks and for the petroleum remediation program for vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

(b) \$3,000,000 the first year and \$3,109,000 the second year are to support agency information technology services provided at the enterprise and agency level.

(c) \$906,000 the first year and \$919,000 the second year are from the environmental fund to develop and maintain systems to support permitting and regulatory business processes and agency data.

(d) \$2,000,000 the first year and \$2,000,000 the second year are to provide technical assistance to Tribal governments. This is a onetime appropriation.

(e) \$15,750,000 the first year and \$14,250,000 the second year are to support

modernizing and automating agency environmental programs and data systems and how the agency provides services to regulated parties, partners, and the public. This appropriation is available until June 30, 2027. This is a onetime appropriation.

(f) \$1,100,000 the first year and \$1,100,000 the second year are from the environmental fund for workforce innovation. Of this amount, \$270,000 each year is for environmental career pathways for students.

Subd. 6. Remediation 40,242,000 16,022,000

<u>Appropriations by Fund</u>		
	<u>2024</u>	<u>2025</u>
<u>General</u>	25,000,000	-0-
<u>Environmental</u>	607,000	628,000
<u>Remediation</u>	14,635,000	15,394,000

(a) All money for environmental response, compensation, and compliance in the remediation fund not otherwise appropriated is appropriated to the commissioners of the Pollution Control Agency and agriculture for purposes of Minnesota Statutes, section 115B.20, subdivision 2, clauses (1), (2), (3), (6), and (7). At the beginning of each fiscal year, the two commissioners must jointly submit to the commissioner of management and budget an annual spending plan that maximizes resource use and appropriately allocates the money between the two departments. This appropriation is available until June 30, 2025.

(b) \$415,000 the first year and \$426,000 the second year are from the environmental fund to manage contaminated sediment projects at multiple sites identified in the St. Louis River remedial action plan to restore water quality in the St. Louis River Area of Concern.

(c) \$4,476,000 the first year and \$4,622,000 the second year are from the remediation fund for the leaking underground storage

tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks and for the petroleum remediation program for vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

(d) \$308,000 the first year and \$316,000 the second year are from the remediation fund for transfer to the commissioner of health for private water-supply monitoring and health assessment costs in areas contaminated by unpermitted mixed municipal solid waste disposal facilities and drinking water advisories and public information activities for areas contaminated by hazardous releases.

(e) \$25,000,000 the first year is for grants to support planning, designing, and preparing for solutions for public water treatment systems contaminated with PFAS. The grants are to reimburse local public water supply operators for source investigations, sampling and treating private drinking water wells, and evaluating solutions for treating private drinking water wells. This appropriation is available until June 30, 2027, and is a onetime appropriation.

Subd. 7. Resource Management and Assistance 64,500,000 58,904,000

	<u>Appropriations by Fund</u>	
	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>21,047,000</u>	<u>14,850,000</u>
<u>Environmental</u>	<u>43,453,000</u>	<u>44,054,000</u>

(a) Up to \$150,000 the first year and \$150,000 the second year may be transferred from the environmental fund to the small business environmental improvement loan account under Minnesota Statutes, section 116.993.

(b) \$1,000,000 the first year and \$1,000,000 the second year are for competitive recycling grants under Minnesota Statutes, section 115A.565. Of this amount, \$300,000 the first

year and \$300,000 the second year are from the general fund, and \$700,000 the first year and \$700,000 the second year are from the environmental fund. This appropriation is available until June 30, 2027.

(c) \$694,000 the first year and \$694,000 the second year are from the environmental fund for emission-reduction activities and grants to small businesses and other nonpoint-emission-reduction efforts. Of this amount, \$100,000 the first year and \$100,000 the second year are to continue work with Clean Air Minnesota, and the commissioner may enter into an agreement with Environmental Initiative to support this effort.

(d) \$20,450,000 the first year and \$20,450,000 the second year are from the environmental fund for SCORE block grants to counties.

(e) \$119,000 the first year and \$119,000 the second year are from the environmental fund for environmental assistance grants or loans under Minnesota Statutes, section 115A.0716.

(f) \$400,000 the first year and \$400,000 the second year are from the environmental fund for grants to develop and expand recycling markets for Minnesota businesses.

(g) \$767,000 the first year and \$770,000 the second year are from the environmental fund for reducing and diverting food waste, redirecting edible food for consumption, and removing barriers to collecting and recovering organic waste. Of this amount, \$500,000 each year is for grants to increase food rescue and waste prevention. This appropriation is available until June 30, 2027.

(h) \$2,797,000 the first year and \$2,811,000 the second year are from the environmental fund for the purposes of Minnesota Statutes, section 473.844.

(i) \$318,000 the first year and \$324,000 the second year are from the environmental fund to address chemicals in products, including to implement and enforce flame retardant provisions under Minnesota Statutes, section 325F.071, and perfluoroalkyl and polyfluoroalkyl substances in food packaging provisions under Minnesota Statutes, section 325F.075. Of this amount, \$78,000 the first year and \$80,000 the second year are transferred to the commissioner of health.

(j) \$180,000 the first year and \$140,000 the second year are for quantifying climate-related impacts from projects for environmental review. This is a onetime appropriation.

(k) \$1,790,000 the first year and \$70,000 the second year are for accelerating pollution prevention at small businesses. Of this amount, \$1,720,000 the first year is for zero-interest loans to phase out high-polluting equipment, products, and processes and replace with new options. This appropriation is available until June 30, 2027. This is a onetime appropriation.

(l) \$190,000 the first year and \$190,000 the second year are to support the Greenstep Cities program. This is a onetime appropriation.

(m) \$420,000 the first year is to complete a study on the viability of recycling solar energy equipment. This is a onetime appropriation.

(n) \$17,000 the first year is for rulemaking for the capital assistance program. This is a onetime appropriation.

(o) \$650,000 the first year and \$650,000 the second year are from the environmental fund for Minnesota GreenCorps investment.

(p) \$4,210,000 the first year and \$210,000 the second year are for PFAS reduction

grants. Of this amount, \$4,000,000 the first year is for grants to industry and public entities to identify sources of PFAS entering facilities and to develop pollution prevention and reduction initiatives to reduce PFAS entering facilities, prevent releases, and monitor the effectiveness of these projects. This is a onetime appropriation and is available until June 30, 2027.

(q) \$13,940,000 the first year and \$13,940,000 the second year are for a waste prevention and reduction grants and loans program. This is a onetime appropriation and is available until June 30, 2027.

(r) Any unencumbered grant and loan balances in the first year do not cancel but are available for grants and loans in the second year. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2025, as contracts or grants for environmental assistance awarded under Minnesota Statutes, section 115A.0716; technical and research assistance under Minnesota Statutes, section 115A.152; technical assistance under Minnesota Statutes, section 115A.52; and pollution prevention assistance under Minnesota Statutes, section 115D.04, are available until June 30, 2027.

(s) \$150,000 the second year is from the environmental fund for the lead and cadmium in consumer products prohibition under Minnesota Statutes, section 325E.3892.

Subd. 8. Watershed

10,968,000

11,477,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>3,111,000</u>	<u>3,111,000</u>
<u>Environmental</u>	<u>7,484,000</u>	<u>7,982,000</u>
<u>Remediation</u>	<u>373,000</u>	<u>384,000</u>

(a) \$2,959,000 the first year and \$2,959,000 the second year are for grants to delegated counties to administer the county feedlot

program under Minnesota Statutes, section 116.0711, subdivisions 2 and 3. Money remaining after the first year is available for the second year.

(b) \$236,000 the first year and \$241,000 the second year are from the environmental fund for the costs of implementing general operating permits for feedlots over 1,000 animal units.

(c) \$125,000 the first year and \$129,000 the second year are from the remediation fund for the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks and for the petroleum remediation program for vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

(d) The total general fund base budget for the watershed division for fiscal year 2026 and later is \$1,959,000.

Subd. 9. <u>Environmental Quality Board</u>	<u>2,075,000</u>	<u>1,639,000</u>
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Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>1,854,000</u>	<u>1,413,000</u>
<u>Environmental</u>	<u>221,000</u>	<u>226,000</u>

\$620,000 the first year and \$140,000 the second year are to develop a Minnesota-based greenhouse gas sector and source-specific guidance, including climate information, a greenhouse gas calculator, and technical assistance for users. This is a onetime appropriation.

Subd. 10. Transfers

(a) The commissioner must transfer up to \$24,000,000 the first year and each fiscal year thereafter from the environmental fund to the remediation fund for purposes of the remediation fund under Minnesota Statutes, section 116.155, subdivision 2.

(b) By June 30, 2024, the commissioner of management and budget must transfer \$12,000,000 from the general fund to the metropolitan landfill contingency action trust account in the remediation fund.

Sec. 3. **NATURAL RESOURCES**

Subdivision 1. Total Appropriation \$ 517,592,000 \$ 389,535,000

	<u>Appropriations by Fund</u>	
	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>274,789,000</u>	<u>149,796,000</u>
<u>Natural Resources</u>	<u>115,396,000</u>	<u>114,516,000</u>
<u>Game and Fish</u>	<u>126,499,000</u>	<u>124,404,000</u>
<u>Remediation</u>	<u>117,000</u>	<u>117,000</u>
<u>Permanent School</u>	<u>791,000</u>	<u>702,000</u>

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

Subd. 2. Land and Mineral Resources Management 14,983,000 9,328,000

	<u>Appropriations by Fund</u>	
	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>10,083,000</u>	<u>4,428,000</u>
<u>Natural Resources</u>	<u>4,338,000</u>	<u>4,338,000</u>
<u>Game and Fish</u>	<u>344,000</u>	<u>344,000</u>
<u>Permanent School</u>	<u>218,000</u>	<u>218,000</u>

(a) \$319,000 the first year and \$319,000 the second year are for environmental research relating to mine permitting, of which \$200,000 each year is from the minerals management account in the natural resources fund and \$119,000 each year is from the general fund.

(b) \$3,383,000 the first year and \$3,383,000 the second year are from the minerals management account in the natural resources fund for use as provided under Minnesota Statutes, section 93.2236, paragraph (c), for mineral resource management, projects to enhance future mineral income, and projects

to promote new mineral-resource opportunities.

(c) \$218,000 the first year and \$218,000 the second year are transferred from the forest suspense account to the permanent school fund and are appropriated from the permanent school fund to secure maximum long-term economic return from the school trust lands consistent with fiduciary responsibilities and sound natural resources conservation and management principles.

(d) \$338,000 the first year and \$338,000 the second year are from the water management account in the natural resources fund for mining hydrology.

(e) \$1,052,000 the first year and \$242,000 the second year are for modernizing utility licensing for state lands and public waters. The first year appropriation is available through fiscal year 2026. This is a onetime appropriation.

(f) \$5,388,000 the first year is for costs, including land acquisition, associated with the transfer of state-owned land within the boundaries of Upper Sioux Agency State Park to the Upper Sioux Community. This is a onetime appropriation and is available until June 30, 2027.

(g) \$1,000,000 in fiscal year 2023 is from the general fund to address safety concerns at the drill core library. This is a onetime appropriation and is available until June 30, 2026.

(h) The total general fund base budget for the land and mineral resources management division for fiscal year 2026 and later is \$3,342,000.

Subd. 3. Ecological and Water Resources	<u>45,315,000</u>	<u>44,413,000</u>
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	<u>Appropriations by Fund</u>	
	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>25,949,000</u>	<u>26,258,000</u>

<u>Natural Resources</u>	<u>12,431,000</u>	<u>12,431,000</u>
<u>Game and Fish</u>	<u>6,935,000</u>	<u>5,724,000</u>

(a) \$4,222,000 the first year and \$4,222,000 the second year are from the invasive species account in the natural resources fund and \$2,831,000 the first year and \$2,831,000 the second year are from the general fund for management, public awareness, assessment and monitoring research, and water access inspection to prevent the spread of invasive species; management of invasive plants in public waters; and management of terrestrial invasive species on state-administered lands.

(b) \$5,556,000 the first year and \$5,556,000 the second year are from the water management account in the natural resources fund for only the purposes specified in Minnesota Statutes, section 103G.27, subdivision 2.

(c) \$124,000 the first year and \$124,000 the second year are for a grant to the Mississippi Headwaters Board for up to 50 percent of the cost of implementing the comprehensive plan for the upper Mississippi within areas under the board's jurisdiction.

(d) \$10,000 the first year and \$10,000 the second year are for payment to the Leech Lake Band of Chippewa Indians to implement the band's portion of the comprehensive plan for the upper Mississippi River.

(e) \$300,000 the first year and \$300,000 the second year are for grants for up to 50 percent of the cost of implementing the Red River mediation agreement. The base for fiscal year 2026 and later is \$264,000.

(f) \$2,498,000 the first year and \$2,498,000 the second year are from the heritage enhancement account in the game and fish fund for only the purposes specified in Minnesota Statutes, section 297A.94, paragraph (h), clause (1).

(g) \$1,150,000 the first year and \$1,150,000 the second year are from the nongame wildlife management account in the natural resources fund for nongame wildlife management. Notwithstanding Minnesota Statutes, section 290.431, \$100,000 the first year and \$100,000 the second year may be used for nongame wildlife information, education, and promotion.

(h) Notwithstanding Minnesota Statutes, section 84.943, \$28,000 the first year and \$28,000 the second year from the critical habitat private sector matching account may be used to publicize the critical habitat license plate match program.

(i) \$6,000,000 the first year and \$6,000,000 the second year are for the following activities:

(1) financial reimbursement and technical support to soil and water conservation districts or other local units of government for groundwater-level monitoring;

(2) surface water monitoring and analysis, including installing monitoring gauges;

(3) groundwater analysis to assist with water-appropriation permitting decisions;

(4) permit application review incorporating surface water and groundwater technical analysis;

(5) precipitation data and analysis to improve irrigation use;

(6) information technology, including electronic permitting and integrated data systems; and

(7) compliance and monitoring.

(j) \$410,000 the first year and \$410,000 the second year are from the heritage enhancement account in the game and fish fund and \$500,000 the first year and

\$500,000 the second year are from the general fund for grants to the Minnesota Aquatic Invasive Species Research Center at the University of Minnesota to prioritize, support, and develop research-based solutions that can reduce the effects of aquatic invasive species in Minnesota by preventing spread, controlling populations, and managing ecosystems and to advance knowledge to inspire action by others.

(k) \$134,000 the first year and \$134,000 the second year are for increased capacity for broadband utility licensing for state lands and public waters. This is a onetime appropriation.

(l) \$998,000 the first year and \$568,000 the second year are for protecting and restoring carbon storage in state-administered peatlands. This is a onetime appropriation and is available until June 30, 2027.

(m) \$200,000 the first year is from the general fund to the Board of Regents of the University of Minnesota for the University of Minnesota Water Council to develop a scope of work, timeline, and budget for a plan to promote and protect clean water in Minnesota for the next 50 years. The 50-year clean water plan must: (1) provide a literature-based assessment of the current status and trends regarding the quality and quantity of all Minnesota waters, both surface and subsurface; (2) identify gaps in the data or understanding and provide recommended action steps to address gaps; (3) identify existing and potential future threats to Minnesota's waters; and (4) propose a road map of scenarios and policy recommendations to allow the state to proactively protect, remediate, and conserve clean water for human use and biodiversity for the next 50 years. The scope of work must outline the steps and resources necessary to develop the plan, including but not limited to the data sets that are required and how the University of Minnesota will obtain access;

the suite of proposed analysis methods; the roles and responsibilities of project leaders, key personnel, and stakeholders; the project timeline with milestones; and a budget with expected costs for tasks and milestones. By December 1, 2023, the Board of Regents of the University of Minnesota must submit the scope of work to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources. This is a onetime appropriation.

(n) \$943,000 the first year is from the heritage enhancement account in the game and fish fund to examine the effects of neonicotinoid exposure on the reproduction and survival of Minnesota's game species, including deer and prairie chicken. This is a onetime appropriation and is available until June 30, 2027.

(o) \$395,000 the first year is to expand invasive carp surveys and carp removal from the Mississippi River, measure the efficacy of invasive carp management practices, and pay for related staffing costs. This is a onetime appropriation.

(p) \$325,000 the first year is for a grant to the Board of Regents of the University of Minnesota to study the Mississippi River Lock and Dam 5 spillway gate to optimize management to reduce invasive carp passage. This is a onetime appropriation.

(q) \$268,000 the first year is from the heritage enhancement account in the game and fish fund for native fish conservation and classification. By August 1, 2023, a written update on the progress of identifying necessary protection and conservation measures for native fish currently defined as rough fish under Minnesota Statutes, section 97A.015, subdivision 43, including buffalo, sucker, sheepshead, bowfin, gar, goldeye, and bullhead, must be submitted to the chairs

and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources. By December 15, 2023, a written report with recommendations for statutory and rule changes to provide necessary protection and conservation measures and research needs for native fish currently designated as rough fish must be submitted to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources. The report must include recommendations for amending Minnesota Statutes to separately classify fish that are native to Minnesota and that are currently designated as rough fish and invasive fish that are currently designated as rough fish. For the purposes of this paragraph, native fish include but are not limited to bowfin (*Amia calva*), bigmouth buffalo (*Ictiobus cyprinellus*), smallmouth buffalo (*Ictiobus bubalus*), burbot (*Lota lota*), longnose gar (*Lepisosteus osseus*), shortnose gar (*Lepisosteus platostomus*), goldeye (*Hiodon alosoides*), mooneye (*Hiodon tergisus*), white sucker (*Catostomus commersonii*), and invasive fish include but are not limited to bighead carp (*Hypophthalmichthys nobilis*), grass carp (*Ctenopharyngodon idella*), and silver carp (*Hypophthalmichthys molitrix*). This is a onetime appropriation.

(r) \$40,000 the first year is for a grant to the Stearns Coalition of Lake Associations to manage aquatic invasive species. The unencumbered balance of the general fund appropriation in Laws 2021, First Special Session chapter 6, article 1, section 3, subdivision 3, paragraph (a), for the grant to the Stearns Coalition of Lake Associations, estimated to be \$40,000, is canceled no later than June 29, 2023.

(s) The total general fund base budget for the ecological and water resources division for fiscal year 2026 and later is \$25,120,000.

Subd. 4. Forest Management 70,325,000 71,667,000

	<u>Appropriations by Fund</u>	
	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>52,672,000</u>	<u>53,989,000</u>
<u>Natural Resources</u>	<u>16,161,000</u>	<u>16,161,000</u>
<u>Game and Fish</u>	<u>1,492,000</u>	<u>1,517,000</u>

(a) \$7,521,000 the first year and \$7,521,000 the second year are for prevention, presuppression, and suppression costs of emergency firefighting and other costs incurred under Minnesota Statutes, section 88.12. The amount necessary to pay for presuppression and suppression costs during the biennium is appropriated from the general fund. By January 15 each year, the commissioner of natural resources must submit a report to the chairs and ranking minority members of the house and senate committees and divisions having jurisdiction over environment and natural resources finance that identifies all firefighting costs incurred and reimbursements received in the prior fiscal year. These appropriations may not be transferred. Any reimbursement of firefighting expenditures made to the commissioner from any source other than federal mobilizations must be deposited into the general fund.

(b) \$15,386,000 the first year and \$15,386,000 the second year are from the forest management investment account in the natural resources fund for only the purposes specified in Minnesota Statutes, section 89.039, subdivision 2.

(c) \$1,492,000 the first year and \$1,517,000 the second year are from the heritage enhancement account in the game and fish fund to advance ecological classification systems (ECS), forest habitat, and invasive species management.

(d) \$906,000 the first year and \$926,000 the second year are for the Forest Resources Council to implement the Sustainable Forest Resources Act.

(e) \$1,143,000 the first year and \$1,143,000 the second year are for the Next Generation Core Forestry data system. Of this appropriation, \$868,000 each year is from the general fund and \$275,000 each year is from the forest management investment account in the natural resources fund.

(f) \$500,000 the first year and \$500,000 the second year are from the forest management investment account in the natural resources fund for forest road maintenance on state forest roads.

(g) \$500,000 the first year and \$500,000 the second year are for forest road maintenance on county forest roads.

(h) \$2,086,000 the first year and \$2,086,000 the second year are to support forest management, cost-share assistance, and inventory on private woodlands. This is a onetime appropriation.

(i) \$400,000 the first year and \$400,000 the second year are to accelerate tree seed collection to support a growing demand for tree planting on public and private lands. This is a onetime appropriation.

(j) \$8,900,000 the first year and \$8,900,000 the second year are for grants to local and Tribal governments and nonprofit organizations to enhance community forest ecosystem health and sustainability under Minnesota Statutes, section 88.82, the Minnesota ReLeaf program. This appropriation is available until June 30, 2027. Money appropriated for grants under this paragraph may be used to pay reasonable costs incurred by the commissioner of natural resources to administer the grants. The base is \$400,000 beginning in fiscal year 2026.

(k) \$1,500,000 the first year and \$1,500,000 the second year are for forest stand improvement and to meet the reforestation requirements of Minnesota Statutes, section 89.002, subdivision 2. This is a onetime appropriation.

Subd. 5. Parks and Trails Management 102,687,000 105,420,000

	<u>Appropriations by Fund</u>	
	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>32,794,000</u>	<u>36,507,000</u>
<u>Natural Resources</u>	<u>67,593,000</u>	<u>66,613,000</u>
<u>Game and Fish</u>	<u>2,300,000</u>	<u>2,300,000</u>

(a) \$8,985,000 the first year and \$8,985,000 the second year are from the natural resources fund for state trail, park, and recreation area operations. This appropriation is from revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (h), clause (2).

(b) \$20,828,000 the first year and \$20,828,000 the second year are from the state parks account in the natural resources fund to operate and maintain state parks and state recreation areas.

(c) \$1,140,000 the first year and \$1,140,000 the second year are from the natural resources fund for park and trail grants to local units of government on land to be maintained for at least 20 years for parks or trails. This appropriation is from revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (h), clause (4). Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(d) \$9,624,000 the first year and \$9,624,000 the second year are from the snowmobile trails and enforcement account in the natural resources fund for the snowmobile grants-in-aid program. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(e) \$2,435,000 the first year and \$2,435,000 the second year are from the natural resources fund for the off-highway vehicle grants-in-aid program. Of this amount, \$1,960,000 each year is from the all-terrain vehicle account; \$150,000 each year is from the off-highway motorcycle account; and \$325,000 each year is from the off-road vehicle account. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(f) \$2,250,000 the first year and \$2,250,000 the second year are from the state land and water conservation account in the natural resources fund for priorities established by the commissioner for eligible state projects and administrative and planning activities consistent with Minnesota Statutes, section 84.0264, and the federal Land and Water Conservation Fund Act. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(g) \$250,000 the first year and \$250,000 the second year are for matching grants for local parks and outdoor recreation areas under Minnesota Statutes, section 85.019, subdivision 2.

(h) \$250,000 the first year and \$250,000 the second year are for matching grants for local trail connections under Minnesota Statutes, section 85.019, subdivision 4c.

(i) \$500,000 the first year and \$750,000 the second year are from the natural resources fund for parks and trails of regional significance outside of the seven-county metropolitan area under Minnesota Statutes, section 85.535, based on the recommendations from the Greater Minnesota Regional Parks and Trails Commission. This appropriation is from revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (i).

(j) \$300,000 the first year and \$350,000 the second year are from the natural resources fund for projects and activities that connect diverse and underserved Minnesotans through expanding cultural environmental experiences, exploration of their environment, and outdoor recreational activities. This appropriation is from revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (j).

(k) \$750,000 the first year is from the all-terrain vehicle account in the natural resources fund to the commissioner of natural resources for a grant to St. Louis County to match other funding sources for design, right-of-way acquisition, permitting, and construction of trails within the Voyageur Country ATV trail system. This is a onetime appropriation and is available until June 30, 2026. This appropriation may be used as a local match to a 2023 state bonding award.

(l) \$700,000 the first year is from the all-terrain vehicle account in the natural resources fund to the commissioner of natural resources for a grant to St. Louis County to match other funding sources for design, right-of-way acquisition, permitting, and construction of a new trail within the Prospector trail system. This is a onetime appropriation and is available until June 30, 2026. This appropriation may be used as a local match to a 2023 state bonding award.

(m) \$250,000 the first year and \$250,000 the second year are from the all-terrain vehicle account in the natural resources fund to the commissioner of natural resources for a grant to Aitkin County, in cooperation with the Northwoods Regional ATV Trail Alliance, to maintain and repair the Northwoods Regional ATV trail system. This is a onetime appropriation and is available until June 30, 2026.

(n) The total general fund base budget for the parks and trails division for fiscal year 2026 and later is \$35,507,000.

Subd. 6. Fish and Wildlife Management 96,212,000 90,186,000

	<u>Appropriations by Fund</u>	
	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>11,124,000</u>	<u>4,332,000</u>
<u>Natural Resources</u>	<u>1,982,000</u>	<u>1,982,000</u>
<u>Game and Fish</u>	<u>83,106,000</u>	<u>83,872,000</u>

(a) \$11,477,000 the first year and \$11,702,000 the second year are from the heritage enhancement account in the game and fish fund only for activities specified under Minnesota Statutes, section 297A.94, paragraph (h), clause (1). Notwithstanding Minnesota Statutes, section 297A.94, five percent of this appropriation may be used for expanding hunter and angler recruitment and retention.

(b) \$982,000 the first year and \$982,000 the second year are from the general fund and \$1,675,000 the first year and \$1,675,000 the second year are from the game and fish fund for statewide response and management of chronic wasting disease. The commissioner and the Board of Animal Health must each submit annual reports on chronic wasting disease activities funded in this biennium to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources and agriculture. The base for the general fund portion of this appropriation in fiscal year 2026 and later is \$282,000.

(c) \$8,546,000 the first year and \$8,546,000 the second year are from the deer management account for the purposes identified in Minnesota Statutes, section 97A.075, subdivision 1.

(d) \$134,000 the first year and \$134,000 the second year are for increased capacity for broadband utility licensing for state lands

and public waters. This is a onetime appropriation.

(e) \$5,134,000 the first year is for enhancing grasslands and restoring wetlands on state-owned wildlife management areas to sequester more carbon and enhance climate resiliency. This is a onetime appropriation and is available until June 30, 2027.

(f) \$500,000 the first year and \$500,000 the second year are from the general fund and \$500,000 the first year and \$500,000 the second year are from the heritage enhancement account in the game and fish fund for grants for natural-resource-based education and recreation programs serving youth under Minnesota Statutes, section 84.976, and for grant administration. The general fund amount is onetime.

(g) \$400,000 the first year and \$400,000 the second year are for the walk-in access program under Minnesota Statutes, section 97A.126.

(h) \$1,633,000 the first year is for a grant to the Board of Regents of the University of Minnesota for chronic wasting disease contingency plans developed by the Center for Infectious Disease Research and Policy. This is a onetime appropriation.

(i) Notwithstanding Minnesota Statutes, section 297A.94, \$300,000 the first year and \$300,000 the second year are from the heritage enhancement account in the game and fish fund for shooting sports facility grants under Minnesota Statutes, section 87A.10, including grants for archery facilities. Grants must be matched with a nonstate match, which may include in-kind contributions. This is a onetime appropriation and is available until June 30, 2026. This appropriation must be allocated as follows: (1) \$200,000 each fiscal year is for grants of \$25,000 or less; and (2) \$100,000 each fiscal year is for grants in excess of \$25,000.

Subd. 7. Enforcement63,472,00063,028,000Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>18,522,000</u>	<u>19,653,000</u>
<u>Natural Resources</u>	<u>12,511,000</u>	<u>12,611,000</u>
<u>Game and Fish</u>	<u>32,322,000</u>	<u>30,647,000</u>
<u>Remediation</u>	<u>117,000</u>	<u>117,000</u>

(a) \$1,718,000 the first year and \$1,718,000 the second year are from the general fund for enforcement efforts to prevent the spread of aquatic invasive species.

(b) \$2,080,000 the first year and \$1,892,000 the second year are from the heritage enhancement account in the game and fish fund for only the purposes specified under Minnesota Statutes, section 297A.94, paragraph (h), clause (1).

(c) \$1,082,000 the first year and \$1,082,000 the second year are from the water recreation account in the natural resources fund for grants to counties for boat and water safety. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(d) \$315,000 the first year and \$315,000 the second year are from the snowmobile trails and enforcement account in the natural resources fund for grants to local law enforcement agencies for snowmobile enforcement activities. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(e) \$250,000 the first year and \$250,000 the second year are from the all-terrain vehicle account in the natural resources fund for grants to qualifying organizations to assist in safety and environmental education and monitoring trails on public lands under Minnesota Statutes, section 84.9011. Grants issued under this paragraph must be issued through a formal agreement with the

organization. By December 15 each year, an organization receiving a grant under this paragraph must report to the commissioner with details on expenditures and outcomes from the grant. Of this appropriation, \$25,000 each year is for administering these grants. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(f) \$510,000 the first year and \$510,000 the second year are from the natural resources fund for grants to county law enforcement agencies for off-highway vehicle enforcement and public education activities based on off-highway vehicle use in the county. Of this amount, \$498,000 each year is from the all-terrain vehicle account, \$11,000 each year is from the off-highway motorcycle account, and \$1,000 each year is from the off-road vehicle account. The county enforcement agencies may use money received under this appropriation to make grants to other local enforcement agencies within the county that have a high concentration of off-highway vehicle use. Of this appropriation, \$25,000 each year is for administering the grants. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(g) \$2,250,000 the first year and \$2,250,000 the second year are appropriated for inspections, investigations, and enforcement activities taken in conjunction with the Board of Animal Health for the white-tailed deer farm program and for statewide response and management of chronic wasting disease.

(h) \$3,050,000 the first year is for modernizing the enforcement aviation fleet. This appropriation is available until June 30, 2027.

(i) \$360,000 the first year and \$360,000 the second year are for training department enforcement officers and for maintaining and storing equipment for conservation officer

public safety responses. This is a onetime appropriation.

(j) The commissioner of natural resources shall recruit and hire at least 2.5 full-time equivalent positions to engage in outreach to members of Southeast Asian communities in Minnesota about hunting and fishing opportunities and regulations in this state. No more than one full-time equivalent position may be a conservation officer and all positions filled with this appropriation must be fluent in the Hmong or Karen language.

Subd. 8. Operations Support

2,434,000

1,408,000

(a) \$1,684,000 the first year and \$1,408,000 second year are for information technology security and modernization. This is a onetime appropriation.

(b) \$750,000 the first year is for legal costs. The unencumbered amount of the general fund appropriation in Laws 2019, First Special Session chapter 4, article 1, section 3, subdivision 8, for legal costs, estimated to be \$750,000, is canceled no later than June 29, 2023.

Subd. 9. Pass Through Funds

4,164,000

4,085,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>3,211,000</u>	<u>3,221,000</u>
<u>Natural Resources</u>	<u>380,000</u>	<u>380,000</u>
<u>Permanent School</u>	<u>573,000</u>	<u>484,000</u>

(a) \$380,000 the first year and \$380,000 the second year are from the natural resources fund for grants to be divided equally between the city of St. Paul for the Como Park Zoo and Conservatory and the city of Duluth for the Lake Superior Zoo. This appropriation is from revenue deposited to the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (h), clause (5).

(b) \$211,000 the first year and \$221,000 the second year are for the Office of School Trust Lands.

(c) \$250,000 the first year and \$150,000 the second year are transferred from the forest suspense account to the permanent school fund and are appropriated from the permanent school fund for transaction and project management costs for divesting of school trust lands within Boundary Waters Canoe Area Wilderness.

(d) \$323,000 the first year and \$334,000 the second year are transferred from the forest suspense account to the permanent school fund and are appropriated from the permanent school fund for the Office of School Trust Lands.

(e) \$3,000,000 the first year and \$3,000,000 the second year are for proportional payments to Tribes receiving payments under Minnesota Statutes, section 97A.165.

Subd. 10. Get Out MORE (Modernizing Outdoor Recreation Experiences)

118,000,000

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\$118,000,000 the first year is for modernizing Minnesota's state-managed outdoor recreation experiences. Of this amount:

(1) \$28,000,000 is for enhancing access and welcoming new users to public lands and outdoor recreation facilities. Of this amount, \$400,000 is for a grant to the city of Silver Bay for construction of the Silver Bay Trailhead, and \$500,000 is for a grant to the city of Chisolm for trail development, maintenance, and related amenities at Redhead Mountain Bike Park;

(2) \$5,000,000 is for modernizing camping and related infrastructure;

(3) \$35,000,000 is for modernizing boating access. Of this amount, \$1,900,000 is for the construction of the Crane Lake Voyageurs

National Park Visitor Center and Campground and for improvements and maintenance for the state-operated boat ramp at Crane Lake;

(4) \$35,000,000 is for modernizing fish hatcheries and fishing infrastructure; and

(5) \$15,000,000 is for restoring streams and modernizing water-related infrastructure.

The commissioner may reallocate across these purposes based on project readiness and priority. This is a onetime appropriation and is available until June 30, 2029.

Subd. 11. Transfer

By June 30, 2024, the commissioner of management and budget must transfer \$58,000 from the water recreation account in the natural resources fund to the driver services operating account under Minnesota Statutes, section 299A.705.

EFFECTIVE DATE. Subdivisions 2, 3, and 8 are effective the day following final enactment.

Sec. 4. BOARD OF WATER AND SOIL RESOURCES

\$ 58,766,000 \$ 58,954,000

(a) \$3,116,000 the first year and \$3,116,000 the second year are for grants and payments to soil and water conservation districts for accomplishing the purposes of Minnesota Statutes, chapter 103C, and for other general purposes, nonpoint engineering, and implementation and stewardship of the reinvest in Minnesota reserve program. Expenditures may be made from this appropriation for supplies and services benefiting soil and water conservation districts. Any district receiving a payment under this paragraph must maintain a website that publishes, at a minimum, the district's annual report, annual audit, annual budget, and meeting notices.

(b) \$761,000 the first year and \$761,000 the second year are to implement, enforce, and

provide oversight for the Wetland Conservation Act, including administering the wetland banking program and in-lieu fee mechanism.

(c) \$1,560,000 the first year and \$1,560,000 the second year are for the following:

(1) \$1,460,000 each year is for cost-sharing programs of soil and water conservation districts for accomplishing projects and practices consistent with Minnesota Statutes, section 103C.501, including perennially vegetated riparian buffers, erosion control, water retention and treatment, water quality cost-sharing for feedlots under 500 animal units and nutrient and manure management projects in watersheds where there are impaired waters, and other high-priority conservation practices; and

(2) \$100,000 each year is for county cooperative weed management programs and to restore native plants at selected invasive species management sites.

(d) \$166,000 the first year and \$166,000 the second year are to provide technical assistance to local drainage management officials and for the costs of the Drainage Work Group. The board must coordinate the activities of the Drainage Work Group according to Minnesota Statutes, section 103B.101, subdivision 13.

(e) \$100,000 the first year and \$100,000 the second year are for a grant to the Red River Basin Commission for water quality and floodplain management, including program administration. This appropriation must be matched by nonstate funds.

(f) \$190,000 the first year and \$190,000 the second year are for grants to Area II Minnesota River Basin Projects for floodplain management. The base for fiscal year 2026 and later is \$140,000.

(g) \$125,000 the first year and \$125,000 the second year are for conservation easement stewardship.

(h) \$240,000 the first year and \$240,000 the second year are for a grant to the Lower Minnesota River Watershed District to defray the annual cost of operating and maintaining sites for dredge spoil to sustain the state, national, and international commercial and recreational navigation on the lower Minnesota River.

(i) \$2,000,000 the first year and \$2,000,000 the second year are for the lawns to legumes program under Minnesota Statutes, section 103B.104. The board may enter into agreements with local governments, Metro Blooms, and other organizations to support this effort. This is a onetime appropriation and is available until June 30, 2027.

(j) \$500,000 the first year and \$500,000 the second year are for the habitat-friendly utilities program under Minnesota Statutes, section 103B.105. This is a onetime appropriation and is available until June 30, 2027.

(k) \$2,000,000 the first year and \$2,000,000 the second year are for the habitat enhancement landscape program under Minnesota Statutes, section 103B.106. This is a onetime appropriation and is available until June 30, 2027.

(l) \$13,380,000 the first year and \$13,380,000 the second year are for soil health activities to achieve water quality, soil productivity, climate change resiliency, or carbon sequestration benefits consistent with Minnesota Statutes, section 103F.06. This is a onetime appropriation and is available until June 30, 2027. The board may use grants to local governments, including soil and water conservation districts, and agreements with the United States Department of Agriculture; the University of Minnesota, Office for Soil

Health; AgCentric, Minnesota State Northern Center of Excellence; and other practitioners and partners to accomplish this work.

(m) \$8,000,000 the first year and \$8,000,000 the second year are for conservation easements and to restore and enhance grasslands and adjacent lands consistent with Minnesota Statutes, sections 103F.501 to 103F.531, for the purposes of climate resiliency, adaptation, carbon sequestration, and related benefits. Of this amount, up to \$422,500 is for deposit in the water and soil conservation easement stewardship account established under Minnesota Statutes, section 103B.103. This is a onetime appropriation and is available until June 30, 2027.

(n) \$7,500,000 the first year and \$7,500,000 the second year are to acquire conservation easements and to restore and enhance peatlands and adjacent lands consistent with Minnesota Statutes, sections 103F.501 to 103F.531, for the purposes of climate resiliency, adaptation, carbon sequestration, and related benefits. Of this amount, up to \$299,000 is for deposit in the water and soil conservation easement stewardship account established under Minnesota Statutes, section 103B.103. This is a onetime appropriation and is available until June 30, 2027.

(o) \$8,500,000 the first year and \$8,500,000 the second year are for water quality and storage practices and projects to protect infrastructure, improve water quality and related public benefits, and mitigate climate change impacts consistent with Minnesota Statutes, section 103F.05. This is a onetime appropriation and is available until June 30, 2027.

(p) \$4,673,000 the first year and \$4,673,000 the second year are for natural resources block grants to local governments to implement the Wetland Conservation Act and shoreland management program under Minnesota Statutes, chapter 103F, and local

water management responsibilities under Minnesota Statutes, chapter 103B. The board may reduce the amount of the natural resources block grant to a county by an amount equal to any reduction in the county's general services allocation to a soil and water conservation district from the county's previous year allocation when the board determines that the reduction was disproportionate. The base for fiscal year 2026 and later is \$3,423,000.

(q) \$129,000 the first year and \$136,000 the second year are to accomplish the objectives of Minnesota Statutes, section 10.65, and related Tribal government coordination. The base for fiscal year 2026 and each year thereafter is \$144,000.

(r) The board may shift money in this section and may adjust the technical and administrative assistance portion of the funds to leverage federal or other nonstate funds or to address accountability, oversight, local government performance, or high-priority needs.

(s) Returned grants and payments are available for two years after they are returned or regrantd, whichever is later. Funds must be regrantd consistent with the purposes of this section. If an appropriation for grants in either year is insufficient, the appropriation in the other year is available for it.

(t) Notwithstanding Minnesota Statutes, section 16B.97, grants awarded from appropriations in this section are exempt from the Department of Administration, Office of Grants Management Policy 08-08 Grant Payments and 08-10 Grant Monitoring.

Sec. 5. <u>METROPOLITAN COUNCIL</u>	<u>\$</u>	<u>28,490,000</u>	<u>\$</u>	<u>10,990,000</u>
		<u>Appropriations by Fund</u>		
		<u>2024</u>	<u>2025</u>	
<u>General</u>		<u>20,040,000</u>	<u>2,540,000</u>	

Natural Resources 8,450,000 8,450,000

(a) \$7,540,000 the first year and \$2,540,000 the second year are for metropolitan-area regional parks operation and maintenance according to Minnesota Statutes, section 473.351.

(b) \$8,450,000 the first year and \$8,450,000 the second year are from the natural resources fund for metropolitan-area regional parks and trails maintenance and operations. This appropriation is from revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (h), clause (3).

(c) \$2,500,000 the first year is for developing a decision-making support tool set to help local partners quantify the risks of a changing climate and prioritize strategies that mitigate those risks. This is a onetime appropriation and is available until June 30, 2027.

(d) \$10,000,000 the first year is to modernize regional parks and trails. This is a onetime appropriation and is available until June 30, 2027.

Sec. 6. **CONSERVATION CORPS MINNESOTA** \$ **945,000** \$ **945,000**

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>455,000</u>	<u>455,000</u>
<u>Natural Resources</u>	<u>490,000</u>	<u>490,000</u>

Conservation Corps Minnesota may receive money appropriated from the natural resources fund under this section only as provided in an agreement with the commissioner of natural resources.

Sec. 7. **ZOOLOGICAL BOARD** \$ **12,807,000** \$ **11,957,000**

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>12,617,000</u>	<u>11,767,000</u>

Natural Resources	<u>190,000</u>	<u>190,000</u>
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(a) \$190,000 the first year and \$190,000 the second year are from the natural resources fund from revenue deposited under Minnesota Statutes, section 297A.94, paragraph (h), clause (5).

(b) \$850,000 the first year is to improve safety and security at the Minnesota Zoo. This is a onetime appropriation.

Sec. 8. <u>SCIENCE MUSEUM</u>	<u>\$</u>	<u>1,200,000</u>	<u>\$</u>	<u>1,260,000</u>
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ARTICLE 2

ENERGY 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 "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025. If an appropriation in this act is enacted more than once in the 2023 legislative session, the appropriation must be given effect only once.

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

Sec. 2. DEPARTMENT OF COMMERCE

Subdivision 1. <u>Total Appropriation</u>	<u>\$</u>	<u>106,621,000</u>	<u>\$</u>	<u>35,419,000</u>
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Appropriations by Fund

	<u>2024</u>	<u>2025</u>
General	<u>105,545,000</u>	<u>34,322,000</u>
Petroleum Tank	<u>1,076,000</u>	<u>1,097,000</u>

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

Subd. 2. Energy Resources105,545,00034,322,000

(a) \$150,000 each year is 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.

(b) \$15,000,000 in the first year is transferred from the general fund to the solar for schools program account in the special revenue fund for grants under the solar for schools program established under Minnesota Statutes, section 216C.375. The money under this paragraph must be expended on schools located outside the electric service territory of the public utility that is subject to Minnesota Statutes, section 116C.779.

(c) \$1,138,000 in the first year is transferred from the general fund to the solar for schools program account under Minnesota Statutes, section 216C.375, to provide financial assistance to schools that are state colleges and universities to purchase and install solar energy generating systems. 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. Money under this paragraph is available until June 30, 2034. Any money remaining on June 30, 2034, cancels to the general fund.

(d) \$189,000 each year is for activities associated with a utility's implementation of a natural gas innovation plan under Minnesota Statutes, section 216B.2427.

(e) \$2,630,000 the first year and \$21,018,000 the second year are for preweatherization work to serve additional households and allow for services that would otherwise be denied due to current federal limitations related to the federal weatherization

assistance program. Money under this paragraph is transferred from the general fund to the preweatherization account in the special revenue fund under Minnesota Statutes, section 216C.264, subdivision 1c. The base in fiscal year 2026 is \$1,012,000 and the base in fiscal year 2027 is \$690,000.

(f) \$3,739,000 each year is for the strengthen Minnesota homes program under Minnesota Statutes, section 65A.299, subdivision 4. Money under this paragraph is transferred from the general fund to strengthen Minnesota homes account in the special revenue fund. The base in fiscal year 2026 and later is \$1,239,000.

(g) \$300,000 the first year is to conduct an advanced nuclear study. This is a onetime appropriation.

(h) \$850,000 the first year is for a grant to the Minnesota Amateur Sports Commission to replace the roof on the ice rink and a maintenance facility at the National Sports Center in Blaine in order to install solar arrays. This is a onetime appropriation.

(i) \$500,000 the first year and \$500,000 the second year are for a grant to the clean energy resource teams partnerships under Minnesota Statutes, section 216C.385, subdivision 2, to provide additional capacity to perform the duties specified under Minnesota Statutes, section 216C.385, subdivision 3.

(j) \$17,500,000 the first year is for a grant to an investor-owned electric utility that has at least 50,000 retail electric customers, but no more than 200,000 retail electric customers, to increase the capacity and improve the reliability of an existing high-voltage direct current transmission line that runs between North Dakota and Minnesota. This is a onetime appropriation and must be used to support the cost-share component of a federal grant application to a program enacted in the

federal Infrastructure Investment and Jobs Act, Public Law 117-58, and may otherwise be used to reduce the cost of the high-voltage direct current transmission project upgrade. This appropriation is available until June 30, 2034.

(k) \$2,410,000 the first year and \$2,410,000 the second year are for grants for the development of clean energy projects by Tribal nations or Tribal communities sharing geographic borders with Minnesota. Of this amount, \$2,000,000 each year is for grants and \$410,000 each year is for technical assistance and administrative support for the Tribal Advocacy Council on Energy under article 7, section 47. As part of the technical assistance and administrative support for the program, the commissioner must hire a Tribal liaison to support the Tribal Advocacy Council on Energy and advise the department on the development of a culturally responsive clean energy grants program based on the priorities identified by the Tribal Advocacy Council on Energy.

(l) \$3,000,000 the first year is for a grant to Clean Energy Economy Minnesota for the Minnesota Energy Alley initiative to secure the state's energy and economic development future. The appropriation may be used to establish and support the initiative, provide seed funding for businesses, develop a training and development program, support recruitment of entrepreneurs to Minnesota, and secure funding from federal programs and corporate partners to establish a self-sustaining, long-term revenue model. This is a onetime appropriation and is available until June 30, 2027.

(m) \$500,000 the first year is for a grant to the city of Anoka for feasibility studies as described in this paragraph and design, engineering, and environmental analysis related to the repair and reconstruction of the Rum River Dam. Findings from the feasibility studies must be incorporated into

the design and engineering funded by this appropriation. This appropriation is onetime and is available until June 30, 2027. This appropriation includes money for the following studies: (1) a study to assess the feasibility of adding a lock or other means for boats to traverse the dam to navigate between the lower Rum River and upper Rum River; (2) a study to assess the feasibility of constructing the dam in a manner that would facilitate recreational river surfing at the dam site; and (3) a study to assess the feasibility of constructing the dam in a manner to generate hydroelectric power.

(n) \$3,500,000 the first year is for awarding electric panel upgrade grants under Minnesota Statutes, section 216C.46, and to reimburse the reasonable cost of the department to administer the program. Grants awarded with funds appropriated under this subdivision must be awarded only to owners of single-family homes or multifamily buildings that are located outside the electric service area of the public utility subject to Minnesota Statutes, section 116C.779. This is a onetime appropriation and remains available until June 30, 2032. Any money that remains unexpended on June 30, 2027, cancels to the general fund.

(o) \$10,000,000 the first year is for distributed energy grants under Minnesota Statutes, section 216C.377. Money under this paragraph is transferred from the general fund to the distributed energy resources system upgrade program account for eligible expenditures under the distributed energy resources system upgrade program. This is a onetime appropriation.

(p) \$5,000,000 the first year is for the Minnesota Climate Innovation Finance Authority established under Minnesota Statutes, section 216C.441, for the purposes of Minnesota Statutes, section 216C.441. This is a onetime appropriation.

(q) \$1,000,000 the first year is for implementing energy benchmarking under Minnesota Statutes, section 216C.331. This appropriation is onetime and is available until June 30, 2027.

(r) \$750,000 the first year is for grants to qualifying utilities to support the development of technology for implementing energy benchmarking under Minnesota Statutes, section 216C.331. This is a onetime appropriation and is available until June 30, 2026.

(s) \$750,000 the first year is for a grant to Building Owners and Managers Association Greater Minneapolis to establish partnerships with three technical colleges and high school career counselors with a goal of increasing the number of building engineers across Minnesota. This is a onetime appropriation and is available until June 30, 2027. The grant recipient must provide a detailed report describing how the grant money was used to the chairs and ranking minority members of the legislative committees having jurisdiction over higher education by January 15 of each year until 2028. The report must describe the progress made toward the goal of increasing the number of building engineers and strategies used.

(t) \$6,000,000 the first year is to implement the heat pump rebate program under Minnesota Statutes, section 216C.45, and to reimburse the reasonable costs incurred by the department to administer the program. Of this amount: (1) \$4,000,000 is to award rebates under Minnesota Statutes, section 216C.45, subdivision 4; and (2) \$2,000,000 is to conduct contractor training and support under Minnesota Statutes, section 216C.45, subdivision 6. This is a onetime appropriation and is available until June 30, 2027.

(u) \$2,000,000 the first year is 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. This is a onetime appropriation and is available until June 30, 2027.

(v) \$2,000,000 the first year is to award grants under Minnesota Statutes, section 216C.402, to automobile dealers seeking certification to sell electric vehicles. Grants must only be awarded under this paragraph 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 and is available until June 30, 2027.

(w) \$2,000,000 the first year is for grants to install on-site energy storage systems, as defined in Minnesota Statutes, section 216B.2422, subdivision 1, paragraph (f), with a capacity of 50 kilowatt hours or less and that are located outside the electric service area of the electric utility subject to Minnesota Statutes, section 116C.779. To receive a grant under this paragraph, an owner of the energy storage system must be operating a solar energy generating system at the same site as the energy storage system or have filed an application with a utility to interconnect a solar energy generating system at the same site as the energy storage system. This is a onetime appropriation and is available until June 30, 2027.

(x) \$500,000 the first year is for a feasibility study to identify and process Minnesota iron resources that could be suitable for upgrading to long-term battery storage specifications. The results of the feasibility study must be submitted to the commissioner of commerce and to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over energy policy no later than February 1, 2025. This is a onetime appropriation.

(y) \$15,000,000 the first year is for electric grid resiliency grants under article 7, section 48. This is a onetime appropriation and is available until June 30, 2028.

(z) \$2,000,000 the first year is for electric school bus grants under Minnesota Statutes, section 216B.1616. Money under this paragraph is transferred from the general fund to the electric school bus program account. This is a onetime appropriation.

(aa) \$1,000,000 the first year is for grants under the Air Ventilation Program Act.

Subd. 3. Petroleum Tank Release Compensation Board

1,076,000 1,097,000

This appropriation is from the petroleum tank fund.

Sec. 3. **PUBLIC UTILITIES COMMISSION** **\$ 10,383,000** **\$ 10,645,000**

Sec. 4. **AGRICULTURE** **\$ 12,892,000** **\$ 0**

\$12,892,000 the first year is for grants to cooperatives to invest in green fertilizer production facilities, as provided under article 7, section 50. This is a onetime appropriation and is available until June 30, 2032.

Sec. 5. **ADMINISTRATION** **\$ 1,512,000** **\$ 0**

(a) \$690,000 the first year is for a contract with the Board of Regents of the University of Minnesota for the Institute on the Environment to research and provide recommendations for establishing new energy guidelines for state buildings under Minnesota Statutes, section 16B.325, subdivision 2. The grant agreement must require the director of the Institute on the Environment to submit a written report that summarizes the findings and recommendations, including recommendations for policy and legislative changes, to the chairs and ranking minority

members of the legislative committees in the house of representatives and the senate with primary jurisdiction over energy policy and capital investment.

(b) \$500,000 the first year is for grants and the environmental analysis of construction materials under Minnesota Statutes, section 16B.312. Of this amount, \$300,000 is transferred to the Department of Transportation.

(c) \$322,000 the first year is for a grant to Lake of the Woods County to demolish the abandoned state-owned Williams School building in the city of Williams and to abate and remediate petroleum, pollutants, or contaminants at the school site. This is a onetime appropriation.

ARTICLE 3

RENEWABLE DEVELOPMENT ACCOUNT APPROPRIATIONS

Section 1. RENEWABLE DEVELOPMENT FINANCE.

(a) The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), the appropriations are from the renewable development account in the special revenue fund established in Minnesota Statutes, section 116C.779, subdivision 1, and are available for the fiscal years indicated for each purpose. The figures "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025.

(b) If an appropriation in this article is enacted more than once in the 2023 regular or special legislative session, the appropriation must be given effect only once.

APPROPRIATIONS

Available for the Year

Ending June 30

2024

2025

Sec. 2. DEPARTMENT OF COMMERCE

Subdivision 1. <u>Total Appropriation</u>	\$	<u>46,920,000</u>	\$	<u>8,000,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. "Made in Minnesota" Administration

\$100,000 each year is to administer the "Made in Minnesota" solar energy production incentive program under Minnesota Statutes, section 216C.417. Any unspent amount remaining on June 30, 2025, cancels to the renewable development account.

Subd. 3. Third-Party Evaluator

\$500,000 each year is 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 money appropriated under this paragraph that is unexpended at the end of a fiscal year cancels to the renewable development account.

Subd. 4. Microgrid Research and Application

(a) \$3,000,000 the first year and \$400,000 the second year are for a grant to the University of St. Thomas Center for Microgrid Research for the purposes of paragraph (b). The base in fiscal year 2026 is \$400,000 and \$0 in fiscal year 2027.

(b) The appropriations in this subdivision 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 for undergraduate and graduate electrical engineering students to increase understanding of microgrid operations, and (ii) partnerships with community colleges.

(c) \$4,100,000 the first year is for a grant to the University of St. Thomas Center for Microgrid Research for capacity building and matching requirements as a condition of receiving federal funds. This appropriation is available until June 30, 2027.

Subd. 5. Solar on State College and University Campuses

\$1,138,000 the first year is to provide financial assistance to schools that are state colleges and universities to purchase and install solar energy generating systems under Minnesota Statutes, section 216C.376. This appropriation must be expended on schools located inside the electric service territory of the public utility that is subject to Minnesota Statutes, section 116C.779. This is a onetime appropriation and is available until June 30, 2025.

Subd. 6. Granite Falls Hydroelectric Generating Facility

\$2,432,000 the first year is for a grant to the city of Granite Falls for repair and overage costs related to the city's existing hydroelectric generating facility. This is a onetime appropriation and any amount unexpended by June 30, 2025, cancels to the renewable development account.

Subd. 7. National Sports Center Solar Array

\$4,150,000 the first year is to the Minnesota Amateur Sports Commission to install solar arrays. This appropriation may be used to replace the roof and install solar arrays on an ice rink and a maintenance facility at the National Sports Center in Blaine. This is a onetime appropriation.

Subd. 8. Electric Vehicle Rebates

(a) \$2,000,000 the first year is 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. This is a onetime appropriation and is available until June 30, 2027.

(b) \$2,000,000 the first year is 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 only be awarded under this paragraph to eligible dealers located within the retail electric service area of the public utility that is subject to Minnesota Statutes, section 116C.779. This is a onetime appropriation and is available until June 30, 2027.

Subd. 9. Area C Contingency Account

\$3,000,000 the first year is transferred from the renewable development account to the Area C contingency account for the purposes of Minnesota Statutes, section 116C.7793. This appropriation is available until June 30, 2028, or five years after the Pollution Control Agency issues any corrective action determination regarding the remediation of Area C under Minnesota Statutes, section 116C.7793, subdivision 3, whichever is later. Any unexpended money remaining in the account on June 30, 2028, cancels to the renewable development account.

Subd. 10. Electric Panel Upgrade Grants

\$3,500,000 the first year is for the purpose of awarding electric panel upgrade grants under Minnesota Statutes, section 216C.46, and to reimburse the reasonable cost of the department to administer the program. Grants awarded with funds appropriated under this

subdivision must be awarded only to owners of single-family homes or multifamily buildings that are located within the electric service area of the public utility subject to Minnesota Statutes, section 116C.779. This is a onetime appropriation and remains available until June 30, 2027. Any unexpended money that remains unexpended on June 30, 2027, cancels to the renewable development account.

Subd. 11. Emerald Ash Borer Wood Dehydrator

(a) \$2,000,000 the second year is for a grant to the owner of a biomass energy generation plant in Shakopee that uses waste heat from the generation of electricity in the malting process to purchase a wood dehydrator to facilitate disposal of wood that is infested by emerald ash borer. This is a onetime appropriation.

(b) By October 1, 2024, the commissioner of commerce must report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over commerce on the use of money appropriated under this subdivision.

Subd. 12. Energy Storage Incentive Grants

\$5,000,000 the first year is to award grants to install energy storage systems under Minnesota Statutes, section 216C.379, and to pay the reasonable costs incurred by the department to administer Minnesota Statutes, section 216C.379. This is a onetime appropriation and is available until June 30, 2027.

Subd. 13. Distributive Energy Resources System Upgrades

\$5,000,000 the second year is for eligible expenditures under the distributed energy resources system upgrade program established in Minnesota Statutes, section 216C.377. Of this amount, \$250,000 is to implement the small interconnection

cost-sharing program ordered by the Public Utilities Commission on December 19, 2022, in Docket E002/M-18-714, to cover the costs of certain distribution upgrades for customers of the utility subject to Minnesota Statutes, section 116C.779, seeking to interconnect distributed generation of up to a certain size. The appropriation under this subdivision may be used for the reasonable costs of distribution upgrades as defined in Minnesota Statutes, section 216C.377, subdivision 1. Money under this subdivision is transferred from the renewable development account to the distributed energy resource system upgrade program account for the purposes of this subdivision.

Subd. 14. Heat Pump Grants

\$6,000,000 the first year is to implement the heat pump rebate program under Minnesota Statutes, section 216C.45, and to reimburse the reasonable costs incurred by the department to administer the program.

Subd. 15. Solar on Public Buildings

\$5,000,000 the first year is transferred from the renewable development account to the solar on public buildings grant program account for the grant program described in Minnesota Statutes, section 216C.378. The appropriation in this subdivision must be used only to provide grants to public buildings located within the electric service area of the electric utility subject to Minnesota Statutes, section 116C.779.

Subd. 16. Electric School Bus Grants

\$5,000,000 the first year is transferred from the renewable development account to the electric school bus account for electric school bus grants under Minnesota Statutes, section 216B.1616.

Sec. 3. <u>DEPARTMENT OF ADMINISTRATION</u>	\$	<u>90,000</u>	\$	<u>92,000</u>
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\$90,000 the first year and \$92,000 the second year are for software and administrative costs associated with the state building energy conservation improvement revolving loan program under Minnesota Statutes, section 16B.87.

Sec. 4. DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT

\$ 5,000,000 \$ 0

\$5,000,000 the first year is for the community energy transition grant program under Minnesota Statutes, section 116J.55. This is a onetime appropriation and is available until June 30, 2028.

Sec. 5. AGRICULTURE

\$ 0 \$ 9,000,000

\$9,000,000 the second year is for grants to cooperatives to invest in green fertilizer production facilities, as provided under article 7, section 50. This is a onetime appropriation and is available until June 30, 2027.

ARTICLE 4

ENVIRONMENT AND NATURAL RESOURCES MODIFICATIONS

Section 1. Minnesota Statutes 2022, section 35.155, subdivision 1, is amended to read:

Subdivision 1. **Running at large prohibited.** (a) An owner may not allow farmed Cervidae to run at large. The owner must make all reasonable efforts to return escaped farmed Cervidae to their enclosures as soon as possible. The owner must immediately notify the commissioner of natural resources of the escape of farmed Cervidae if the farmed Cervidae are not returned or captured by the owner within 24 hours of their escape.

(b) An owner is liable for expenses of another person in capturing, caring for, and returning farmed Cervidae that have left their enclosures if the person capturing the farmed Cervidae contacts the owner as soon as possible.

(c) If an owner is unwilling or unable to capture escaped farmed Cervidae, the commissioner of natural resources may destroy the escaped farmed Cervidae. The commissioner of natural resources must allow the owner to attempt to capture the escaped farmed Cervidae prior to destroying the farmed Cervidae. Farmed Cervidae that are not captured by 24 hours after escape may be destroyed.

(d) A hunter licensed by the commissioner of natural resources under chapter 97A may kill and possess escaped farmed Cervidae in a lawful manner and is not liable to the owner for the loss of the animal.

(e) Escaped farmed Cervidae killed by a hunter or destroyed by the commissioner of natural resources must be tested for chronic wasting disease.

(f) The owner is responsible for proper disposal, as determined by the board, of farmed Cervidae that are killed or destroyed under this subdivision and test positive for chronic wasting disease.

(g) An owner is liable for any additional costs associated with escaped farmed Cervidae that are infected with chronic wasting disease. This paragraph may be enforced by the attorney general on behalf of any state agency affected.

EFFECTIVE DATE. This section is effective September 1, 2023.

Sec. 2. Minnesota Statutes 2022, section 35.155, subdivision 4, is amended to read:

Subd. 4. **Fencing.** Farmed Cervidae must be confined in a manner designed to prevent escape. All perimeter fences for farmed Cervidae must be at least 96 inches in height and be constructed and maintained in a way that prevents the escape of farmed Cervidae ~~or~~ entry into the premises by free-roaming Cervidae, and physical contact between farmed Cervidae and free-roaming Cervidae. The Board of Animal Health may determine whether the construction and maintenance of fencing is adequate under this subdivision and may compel corrective action where it determines fencing is inadequate. ~~After July 1, 2019, All new fencing installed and all fencing used to repair deficiencies must be high tensile. By December 1, 2019, All entry areas for farmed Cervidae enclosure areas must have two redundant gates, which must be maintained to prevent the escape of animals through an open gate. If a fence deficiency allows entry or exit by farmed or wild Cervidae, the owner must immediately repair the deficiency. All other deficiencies must be repaired within a reasonable time, as determined by the Board of Animal Health, not to exceed 45~~ 14 days. If a fence deficiency is detected during an inspection, the facility must be reinspected at least once in the subsequent three months. The farmed Cervidae owner must pay a reinspection fee equal to one-half the applicable annual inspection fee under subdivision 7a for each reinspection related to a fence violation. If the facility experiences more than one escape incident in any six-month period or fails to correct a deficiency found during an inspection, the board may revoke the facility's registration and order the owner to remove or destroy the animals as directed by the board. If the board revokes a facility's registration, the commissioner of natural resources may seize and destroy animals at the facility.

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

Sec. 3. Minnesota Statutes 2022, section 35.155, subdivision 10, is amended to read:

Subd. 10. **Mandatory registration.** (a) A person may not possess live Cervidae in Minnesota unless the person is registered with the Board of Animal Health and meets all the requirements for farmed Cervidae under this section. Cervidae possessed in violation of this subdivision may be seized and destroyed by the commissioner of natural resources.

(b) A person whose registration is revoked by the board is ineligible for future registration under this section unless the board determines that the person has undertaken measures that make future escapes extremely unlikely.

(c) The board must not allow new registrations under this section for possessing white-tailed deer. A valid registration may be sold or transferred only once under this paragraph. Before the board approves a sale or transfer under this paragraph, the board must verify that the herd is free from chronic wasting disease.

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

Sec. 4. Minnesota Statutes 2022, section 35.155, subdivision 11, is amended to read:

Subd. 11. **Mandatory surveillance for chronic wasting disease; depopulation.** (a) An inventory for each farmed Cervidae herd must be verified by an accredited veterinarian and filed with the Board of Animal Health every 12 months.

(b) Movement of farmed Cervidae from any premises to another location must be reported to the Board of Animal Health within 14 days of the movement on forms approved by the Board of Animal Health. A person must not move farmed white-tailed deer from a herd that tests positive for chronic wasting disease from any premises to another location.

(c) All animals from farmed Cervidae herds that are over ~~12~~ six months of age that die or are slaughtered must be tested for chronic wasting disease.

(d) The owner of a premises where chronic wasting disease is detected must:

(1) allow and cooperate with inspections of the premises as determined by the Board of Animal Health and Department of Natural Resources conservation officers and wildlife managers;

~~(+)~~ (2) depopulate the premises of Cervidae after the federal indemnification process has been completed or, if an indemnification application is not submitted, within a reasonable time determined by the board in consultation with the commissioner of natural resources 30 days;

~~(2)~~ (3) maintain the fencing required under subdivision 4 on the premises for five ten years after the date of detection; and

~~(3)~~ (4) post the fencing on the premises with biohazard signs as directed by the board;

(5) not raise farmed Cervidae on the premises for at least ten years;

(6) before signing an agreement to sell or transfer the property, disclose in writing to the buyer or transferee the date of depopulation and the requirements incumbent upon the premises and the buyer or transferee under this paragraph; and

(7) record with the county recorder or registrar of titles as appropriate, in the county where the premises is located, a notice, in the form required by the board that meets the recording requirements of sections 507.093 and 507.24, and that includes the nearest address and the legal description of the premises, the date of detection, the date of depopulation, the landowner requirements under this paragraph, and any other information required by the board. The legal description must be the legal

description of record with the county recorder or registrar of titles and must not otherwise be the real estate tax statement legal description for the premises. The notice expires and has no effect ten years after the date of detection stated in the notice. An expired notice must be omitted by the registrar of titles from future certificates of title.

(e) An owner of farmed Cervidae that test positive for chronic wasting disease is responsible for proper disposal of the animals, as determined by the board.

Sec. 5. Minnesota Statutes 2022, section 35.155, is amended by adding a subdivision to read:

Subd. 11a. **Liability.** (a) A herd owner is liable in a civil action to a person injured by the owner's sale or unlawful disposal of farmed Cervidae if the herd owner knew or reasonably should have known that the farmed Cervidae were infected with or exposed to chronic wasting disease. Action may be brought in a county where the farmed Cervidae are sold, delivered, or unlawfully disposed.

(b) A herd owner is liable to the state for costs associated with the owner's unlawful disposal of farmed Cervidae infected with or exposed to chronic wasting disease. This paragraph may be enforced by the attorney general on behalf of any state agency affected.

Sec. 6. Minnesota Statutes 2022, section 35.155, subdivision 12, is amended to read:

Subd. 12. **Importation.** (a) A person must not import live Cervidae or Cervidae semen into the state from a herd that is:

(1) infected with or has been exposed to chronic wasting disease; or

(2) from a ~~known~~ state or province where chronic wasting disease ~~endemic area, as determined by the board~~ is present in farmed or wild Cervidae populations.

(b) A person may import live Cervidae or Cervidae semen into the state only from a herd that:

(1) is not ~~in a known~~ located in a state or province where chronic wasting disease ~~endemic area, as determined by the board~~, is present in farmed or wild Cervidae populations; and ~~the herd~~

(2) has been subject to a ~~state or provincial approved~~ state- or provincial-approved chronic wasting disease monitoring program for at least three years.

(c) Cervidae or Cervidae semen imported in violation of this section may be seized and destroyed by the commissioner of natural resources.

(d) Nothing in this section prohibits a person from importing Cervidae semen from a herd certified as low-risk for chronic wasting disease under the chronic wasting disease voluntary herd certification program operated by the United States Department of Agriculture's Animal and Plant Health Inspection Service.

(e) Nothing in this subdivision shall be construed to prevent:

(1) interstate transfer of animals between two facilities accredited by the Association of Zoos and Aquariums; or

(2) importation of orphaned wild Cervidae for placement at an institution accredited by the Association of Zoos and Aquariums when approved on a case-by-case basis by the commissioner of natural resources.

Sec. 7. Minnesota Statutes 2022, section 35.155, is amended by adding a subdivision to read:

Subd. 15. **Cooperation with Board of Animal Health.** The commissioner of natural resources may contract with the Board of Animal Health to administer some or all of sections 35.153 to 35.156 for farmed white-tailed deer.

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

Sec. 8. Minnesota Statutes 2022, section 35.156, is amended by adding a subdivision to read:

Subd. 3. **Consultation required.** The Board of Animal Health and the commissioner of natural resources must consult the Minnesota Center for Prion Research and Outreach at the University of Minnesota and incorporate peer-reviewed scientific information when administering and enforcing section 35.155 and associated rules pertaining to chronic wasting disease and farmed Cervidae.

Sec. 9. Minnesota Statutes 2022, section 35.156, is amended by adding a subdivision to read:

Subd. 4. **Notice required.** The Board of Animal Health must promptly notify affected local units of government and Tribal governments when an animal in a farmed Cervidae herd tests positive for chronic wasting disease.

Sec. 10. Minnesota Statutes 2022, section 35.156, is amended by adding a subdivision to read:

Subd. 5. **Annual testing required.** (a) Once the United States Department of Agriculture has determined that the RT-QuIC test is capable of accurately detecting chronic wasting disease in white-tailed deer, the Board of Animal Health must have each farmed white-tailed deer possessed by a person registered under section 35.155 annually tested for chronic wasting disease using a real-time quaking-induced conversion (RT-QuIC) test offered by a public or private diagnostic laboratory. Live-animal testing must consist of an ear biopsy, the collection of which must be managed by the Board of Animal Health, with each laboratory reporting RT-QuIC results to both the commissioner of natural resources and the Board of Animal Health in the form required by both agencies. If a white-tailed deer tests positive, the owner must have the animal tested a second time using an RT-QuIC test performed on both a second ear biopsy and a tonsil or rectal biopsy.

(b) If a farmed white-tailed deer tests positive using an RT-QuIC test performed on both a second ear biopsy and a tonsil or rectal biopsy, the owner must have the animal destroyed and tested for chronic wasting disease using a postmortem test approved by the Board of Animal Health.

(c) If a farmed white-tailed deer tests positive for chronic wasting disease under paragraph (b), the owner must depopulate the premises of farmed Cervidae as required under section 35.155, subdivision 11.

Sec. 11. Minnesota Statutes 2022, section 84.415, subdivision 3, is amended to read:

Subd. 3. **Application, form.** The application for license or permit shall be in quadruplicate, and shall ~~must~~ include with each copy a legal description of the lands or waters affected, a metes and

bounds description of the required right-of-way, a map showing said features, and a detailed design of any structures necessary, or in lieu thereof shall be in such other form, and include such other descriptions, maps or designs, as the commissioner may require. The commissioner may at any time order such changes or modifications respecting construction or maintenance of structures or other conditions of the license or permit as the commissioner deems necessary to protect the public health and safety.

Sec. 12. **[86B.30] DEFINITIONS.**

Subdivision 1. **Applicability.** The definitions in this section apply to sections 86B.30 to 86B.341.

Subd. 2. **Accompanying operator.** "Accompanying operator" means a person 21 years of age or older who:

- (1) is in a personal watercraft or other type of motorboat;
- (2) is within immediate reach of the controls of the motor; and
- (3) possesses a valid operator's permit or is an exempt operator.

Subd. 3. **Adult operator.** "Adult operator" means a motorboat operator, including a personal watercraft operator, who is 12 years of age or older and who was:

- (1) effective July 1, 2025, born on or after July 1, 2004;
- (2) effective July 1, 2026, born on or after July 1, 2000;
- (3) effective July 1, 2027, born on or after July 1, 1996; and
- (4) effective July 1, 2028, born on or after July 1, 1987.

Subd. 4. **Exempt operator.** "Exempt operator" means a motorboat operator, including a personal watercraft operator, who is 12 years of age or older and who:

(1) possesses a valid license to operate a motorboat issued for maritime personnel by the United States Coast Guard under Code of Federal Regulations, title 46, part 10, or a marine certificate issued by the Canadian government;

(2) is not a resident of the state, is temporarily using the waters of the state for a period not to exceed 60 days, and:

- (i) meets any applicable requirements of the state or country of residency; or
- (ii) possesses a Canadian pleasure craft operator's card;
- (3) is operating a motorboat under a dealer's license according to section 86B.405; or
- (4) is operating a motorboat during an emergency.

Subd. 5. **Motorboat rental business.** "Motorboat rental business" means a person engaged in the business of renting or leasing motorboats, including personal watercraft, for a period not exceeding

30 days. Motorboat rental business includes a person's agents and employees but does not include a resort business.

Subd. 6. **Resort business.** "Resort business" means a person engaged in the business of providing lodging and recreational services to transient guests classified as a resort under section 273.13, subdivision 22 or 25. A resort business includes a person's agents and employees.

Subd. 7. **Young operator.** "Young operator" means a motorboat operator, including a personal watercraft operator, younger than 12 years of age.

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

Sec. 13. **[86B.302] WATERCRAFT OPERATOR'S PERMIT.**

Subdivision 1. **Generally.** The commissioner must issue a watercraft operator's permit to a person 12 years of age or older who successfully completes a water safety course and written test according to section 86B.304, paragraph (a), or who provides proof of completing a program subject to a reciprocity agreement or certified by the commissioner as substantially similar.

Subd. 2. **Issuing permit to certain young operators.** The commissioner may issue a permit under this section to a person who is at least 11 years of age, but the permit is not valid until the person becomes an adult operator.

Subd. 3. **Personal possession required.** (a) A person who is required to have a watercraft operator's permit must have in personal possession:

(1) a valid watercraft operator's permit;

(2) a driver's license that has a valid watercraft operator's permit indicator issued under section 171.07, subdivision 20; or

(3) an identification card that has a valid watercraft operator's permit indicator issued under section 171.07, subdivision 20.

(b) A person who is required to have a watercraft operator's permit must display one of the documents described in paragraph (a) to a conservation officer or peace officer upon request.

Subd. 4. **Using electronic device to display proof of permit.** If a person uses an electronic device to display a document described in subdivision 3 to a conservation officer or peace officer:

(1) the officer is immune from liability for any damage to the device, unless the officer does not exercise due care in handling the device; and

(2) this does not constitute consent for the officer to access other contents on the device.

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

Sec. 14. **[86B.303] OPERATING PERSONAL WATERCRAFT AND OTHER MOTORBOATS.**

Subdivision 1. **Adult operators.** An adult operator may not operate a motorboat, including a personal watercraft, unless:

- (1) the adult operator possesses a valid watercraft operator's permit;
- (2) the adult operator is an exempt operator; or
- (3) an accompanying operator is in the motorboat.

Subd. 2. **Young operators.** (a) A young operator may not operate a personal watercraft or any motorboat powered by a motor with a factory rating of more than 75 horsepower.

(b) A young operator may operate a motorboat that is not a personal watercraft and that is powered by a motor with a factory rating of less than 75 horsepower if an accompanying operator is in the motorboat.

Subd. 3. **Accompanying operators.** For purposes of this section and section 169A.20, an accompanying operator, as well as the actual operator, is operating and is in physical control of a motorboat.

Subd. 4. **Owners may not allow unlawful use.** An owner or other person in lawful control of a motorboat may not allow the motorboat to be operated contrary to this section.

Subd. 5. **Exception for low-powered motorboats.** Notwithstanding the other provisions of this section, a person of any age may operate a motorboat that is not a personal watercraft that is powered by a motor with a factory rating of 25 horsepower or less without possessing a valid watercraft operator's permit and without an accompanying operator in the motorboat.

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

Sec. 15. **[86B.304] WATERCRAFT SAFETY PROGRAM.**

(a) The commissioner must establish a water safety course and testing program for personal watercraft and watercraft operators and must prescribe a written test as part of the course. The course must be approved by the National Association of State Boating Law Administrators and must be available online. The commissioner may allow designated water safety courses administered by third parties to meet the requirements of this paragraph and may enter into reciprocity agreements or otherwise certify boat safety education programs from other states that are substantially similar to in-state programs. The commissioner must establish a working group of interested parties to develop course content and implementation. The course must include content on best management practices for mitigating aquatic invasive species, reducing conflicts among user groups, and limiting the ecological impacts of watercraft.

(b) The commissioner must create or designate a short boater safety examination to be administered by motorboat rental businesses, as required by section 86B.306, subdivision 3. The examination developed under this paragraph must be one that can be administered electronically or on paper, at the option of the motorboat rental business administering the examination.

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

Sec. 16. **[86B.306] MOTORBOAT RENTAL BUSINESSES.**

Subdivision 1. **Requirements.** A motorboat rental business must not rent or lease a motorboat, including a personal watercraft, to any person for operation on waters of this state unless the renter or lessee:

(1) has a valid watercraft operator's permit or is an exempt operator; and

(2) is 18 years of age or older.

Subd. 2. **Authorized operators.** A motorboat rental business must list on each motorboat rental or lease agreement the name and age of each operator who is authorized to operate the motorboat or personal watercraft. The renter or lessee of the motorboat must ensure that only listed authorized operators operate the motorboat or personal watercraft.

Subd. 3. **Summary of boating regulations; examination.** (a) A motorboat rental business must provide each authorized operator a summary of the statutes and rules governing operation of motorboats and personal watercraft in the state and instructions for safe operation.

(b) Each authorized operator must review the summary provided under this subdivision and must take a short boater safety examination in a form approved by the commissioner before the motorboat or personal watercraft leaves the motorboat rental business premises, unless the authorized operator has taken the examination during the previous 60 days.

Subd. 4. **Safety equipment for personal watercraft.** A motorboat rental business must provide to all persons who rent a personal watercraft, at no additional cost, a United States Coast Guard (USCG) approved wearable personal flotation device with a USCG label indicating it either is approved for or does not prohibit use with personal watercraft or water-skiing and any other required safety equipment.

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

Sec. 17. Minnesota Statutes 2022, section 86B.313, subdivision 4, is amended to read:

Subd. 4. ~~**Dealers and rental operations.**~~ (a) A dealer of personal watercraft shall distribute a summary of the laws and rules governing the operation of personal watercraft and, upon request, shall provide instruction to a purchaser regarding:

(1) the laws and rules governing personal watercraft; and

(2) the safe operation of personal watercraft.

~~(b) A person who offers personal watercraft for rent:~~

~~(1) shall provide a summary of the laws and rules governing the operation of personal watercraft and provide instruction regarding the laws and rules and the safe operation of personal watercraft to each person renting a personal watercraft;~~

~~(2) shall provide a United States Coast Guard (USCG) approved wearable personal flotation device with a USCG label indicating it either is approved for or does not prohibit use with personal~~

watercraft or water-skiing and any other required safety equipment to all persons who rent a personal watercraft at no additional cost; and

~~(3) shall require that a watercraft operator's permit from this state or from the operator's state of residence be shown each time a personal watercraft is rented to any person younger than age 18 and shall record the permit on the form provided by the commissioner.~~

~~(e) Each dealer of personal watercraft or person offering personal watercraft for rent shall have the person who purchases or rents a personal watercraft sign a form provided by the commissioner acknowledging that the purchaser or renter has been provided a copy of the laws and rules regarding personal watercraft operation and has read them. The form must be retained by the dealer or person offering personal watercraft for rent for a period of six months following the date of signature and must be made available for inspection by sheriff's deputies or conservation officers during normal business hours.~~

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

Sec. 18. Minnesota Statutes 2022, section 97A.465, subdivision 3, is amended to read:

Subd. 3. **Nonresidents stationed in state; spouses.** (a) The commissioner may issue a resident license to take fish or game to a person in the armed forces of the United States that is stationed in the state. This subdivision paragraph does not apply to the taking of moose or elk.

(b) The commissioner may issue a resident angling license to a person in the armed forces of the United States that is stationed in the state and to the spouse of a person in the armed forces of the United States that is stationed in the state.

Sec. 19. Minnesota Statutes 2022, section 97A.465, subdivision 8, is amended to read:

Subd. 8. **Nonresident active members of National Guard; spouses.** (a) A nonresident that is an active member of the state's National Guard may obtain a resident license to take fish or game. This subdivision paragraph does not apply to the taking of moose or elk.

(b) A nonresident that is a member of the National Guard or that is the spouse of a member of the National Guard may obtain a resident license to take fish.

(c) For purposes of this section, the term "member of the National Guard" means an active member of the state's National Guard or an active member of another state's National Guard who is temporarily stationed in this state.

Sec. 20. Minnesota Statutes 2022, section 97A.475, subdivision 41, is amended to read:

Subd. 41. **Turtle licenses license.** (a) The fee for a turtle seller's license to sell turtles and to take, transport, buy, and possess turtles for sale is \$250.

~~(b) The fee for a recreational turtle license to take, transport, and possess turtles for personal use is \$25.~~ \$5.

~~(c) The fee for a turtle seller's apprentice license is \$100.~~

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

Sec. 21. Minnesota Statutes 2022, section 97C.605, subdivision 1, is amended to read:

Subdivision 1. ~~Resident angling license required~~ **Taking turtles; requirements.** ~~In addition to any other license required in this section, (a) A person may not take, possess, or transport turtles without a resident angling license, except as provided in subdivision 2e and a recreational turtle license.~~

(b) Turtles taken from the wild are for personal use only and may not be resold.

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

Sec. 22. Minnesota Statutes 2022, section 97C.605, subdivision 2c, is amended to read:

Subd. 2c. **License exemptions.** ~~(a) A person does not need a turtle seller's license or an angling license~~ the licenses specified under subdivision 1:

~~(1) when buying turtles for resale at a retail outlet;~~

(1) when buying turtles from a licensed aquatic farm or licensed private fish hatchery for resale at a retail outlet or restaurant;

(2) when buying a turtle at a retail outlet;

~~(3) if the person is a nonresident buying a turtle from a licensed turtle seller for export out of state. Shipping documents provided by the turtle seller must accompany each shipment exported out of state by a nonresident. Shipping documents must include: name, address, city, state, and zip code of the buyer; number of each species of turtle; and name and license number of the turtle seller; or~~

~~(4) (3) to take, possess, and rent or sell up to 25 turtles greater than four inches in length for the purpose of providing the turtles to participants at a nonprofit turtle race, if the person is a resident under age 18. The person is responsible for the well-being of the turtles; or~~

(4) when possessing turtles if under 16 years of age. Notwithstanding any other law to the contrary, a person under the age of 16 may possess, without a license, up to three snapping or western painted turtles, provided the turtles are possessed for personal use and are within the applicable length and width requirements.

(b) A person with an aquatic farm license with a turtle endorsement or a private fish hatchery license with a turtle endorsement may sell, obtain, possess, transport, and propagate turtles and turtle eggs without the licenses specified under subdivision 1.

(c) Turtles possessed under this subdivision may not be released back into the wild.

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

Sec. 23. Minnesota Statutes 2022, section 97C.605, subdivision 3, is amended to read:

Subd. 3. **Taking; methods prohibited.** ~~(a)~~ A person may not take turtles by using:

- (1) explosives, drugs, poisons, lime, and other harmful substances;
- ~~(2) traps, except as provided in paragraph (b) and rules adopted under this section;~~
- (3) nets other than anglers' fish landing nets;
- ~~(4) commercial equipment, except as provided in rules adopted under this section;~~
- (5) firearms and ammunition;
- (6) bow and arrow or crossbow; or
- (7) spears, harpoons, or any other implements that impale turtles.

~~(b) Until new rules are adopted under this section, a person with a turtle seller's license may take turtles with a floating turtle trap that:~~

~~(1) has one or more openings above the water surface that measure at least ten inches by four inches; and~~

~~(2) has a mesh size of not less than one-half inch, bar measure.~~

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

Sec. 24. Minnesota Statutes 2022, section 97C.611, is amended to read:

97C.611 TURTLE SPECIES; LIMITS.

Subdivision 1. **Snapping turtles.** A person may not possess more than three snapping turtles of the species *Chelydra serpentina* ~~without a turtle seller's license~~. Until new rules are adopted under section 97C.605, a person may not take snapping turtles of a size less than ten inches wide including curvature, measured from side to side across the shell at midpoint. After new rules are adopted under section 97C.605, a person may only take snapping turtles of a size specified in the adopted rules.

Subd. 2. **Western painted turtles.** (a) A person may not possess more than three Western painted turtles of the species *Chrysemys picta* ~~without a turtle seller's license~~. Western painted turtles must be between 4 and 5-1/2 inches in shell length.

(b) This subdivision does not apply to persons acting under section 97C.605, subdivision 2c, ~~clause (4) paragraph (a)~~.

~~Subd. 3. **Spiny softshell.** A person may not possess spiny softshell turtles of the species *Apalone spinifera* after December 1, 2021, without an aquatic farm or private fish hatchery license with a turtle endorsement.~~

Subd. 4. **Other species.** A person may not possess any other species of turtle ~~without~~ except with an aquatic farm or private fish hatchery license with a turtle endorsement or as specified under section 97C.605, subdivision 2c.

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

Sec. 25. Minnesota Statutes 2022, section 103B.101, subdivision 9, is amended to read:

Subd. 9. **Powers and duties.** (a) In addition to the powers and duties prescribed elsewhere, the board shall:

(1) coordinate the water and soil resources planning and implementation activities of counties, soil and water conservation districts, watershed districts, watershed management organizations, and any other local units of government through its various authorities for approval of local plans, administration of state grants, contracts and easements, and by other means as may be appropriate;

(2) facilitate communication and coordination among state agencies in cooperation with the Environmental Quality Board, and between state and local units of government, in order to make the expertise and resources of state agencies involved in water and soil resources management available to the local units of government to the greatest extent possible;

(3) coordinate state and local interests with respect to the study in southwestern Minnesota under United States Code, title 16, section 1009;

(4) develop information and education programs designed to increase awareness of local water and soil resources problems and awareness of opportunities for local government involvement in preventing or solving them;

(5) provide a forum for the discussion of local issues and opportunities relating to water and soil resources management;

(6) adopt an annual budget and work program that integrate the various functions and responsibilities assigned to it by law; and

(7) report ~~assessments to the governor and the legislature by October 15 of each even-numbered year with an assessment~~ of board programs and recommendations for any program changes and board membership changes necessary to improve state and local efforts in water and soil resources management.

(b) The board may accept grants, gifts, donations, or contributions in money, services, materials, or otherwise from the United States, a state agency, or other source to achieve an authorized or delegated purpose. The board may enter into a contract or agreement necessary or appropriate to accomplish the transfer. The board may conduct or participate in local, state, or federal programs or projects that have as one purpose or effect the preservation or enhancement of water and soil resources and may enter into and administer agreements with local governments or landowners or their designated agents as part of those programs or projects. The board may receive and expend money to acquire conservation easements, as defined in chapter 84C, on behalf of the state and federal government consistent with the Camp Ripley's Army Compatible Use Buffer Project, Sentinel Landscape program, or related conservation programs. The board may enter into agreements, including grant agreements, with Tribal nations, federal agencies, higher education institutions, local governments, and private sector organizations to carry out programs and other responsibilities prescribed or allowed by statute.

(c) Any money received is hereby deposited in an account in a fund other than the general fund and appropriated and dedicated for the purpose for which it is granted.

Sec. 26. Minnesota Statutes 2022, section 103B.101, subdivision 16, is amended to read:

Subd. 16. **Water quality Conservation practices; standardized specifications.** (a) ~~The board of Water and Soil Resources shall~~ must work with state and federal agencies, Tribal Nations, academic institutions, local governments, practitioners, and stakeholders to foster mutual understanding and provide recommendations for standardized specifications for ~~water quality and soil conservation protection and improvement practices and~~ projects, and systems for:

- (1) erosion or sedimentation control;
- (2) improvements to water quality or water quantity;
- (3) habitat restoration and enhancement;
- (4) energy conservation; and
- (5) climate adaptation, resiliency, or mitigation.

(b) The board may convene working groups or work teams to develop information, education, and recommendations.

Sec. 27. Minnesota Statutes 2022, section 103B.101, is amended by adding a subdivision to read:

Subd. 18. **Guidelines for establishing and enhancing native vegetation.** (a) The board must work with state and federal agencies, Tribal Nations, academic institutions, local governments, practitioners, and stakeholders to foster mutual understanding and to provide recommendations for standardized specifications to establish and enhance native vegetation to provide benefits for:

- (1) water quality;
- (2) soil conservation;
- (3) habitat enhancement;
- (4) energy conservation; and
- (5) climate adaptation, resiliency, or mitigation.

(b) The board may convene working groups or work teams to develop information, education, and recommendations.

Sec. 28. Minnesota Statutes 2022, section 103B.103, is amended to read:

103B.103 EASEMENT STEWARDSHIP ACCOUNTS.

Subdivision 1. **Accounts established; sources.** (a) The water and soil conservation easement stewardship account and the mitigation easement stewardship account are created in the special

revenue fund. The accounts consist of money credited to the accounts and interest and other earnings on money in the accounts. The State Board of Investment must manage the accounts to maximize long-term gain.

(b) Revenue from contributions and money appropriated for any purposes of the account as described in subdivision 2 must be deposited in the water and soil conservation easement stewardship account. Revenue from contributions, ~~wetland banking mitigation~~ fees designated for stewardship purposes by the board, easement stewardship payments authorized under subdivision 3, and money appropriated for any purposes of the account as described in subdivision 2 must be deposited in the mitigation easement stewardship account.

Subd. 2. **Appropriation; purposes of accounts.** Five percent of the balance on July 1 each year in the water and soil conservation easement stewardship account and five percent of the balance on July 1 each year in the mitigation easement stewardship account are annually appropriated to the board and may be spent ~~only~~ to cover the costs of managing easements held by the board, including costs associated with:

- (1) repairing or replacing structures;
- (2) monitoring;
- (3) landowner contacts;
- (4) records storage and management;
- (5) processing landowner notices;
- (6) requests for approval or amendments;
- (7) enforcement; and
- (8) legal services associated with easement management activities.

Subd. 3. **Financial contributions.** The board shall seek a financial contribution to the water and soil conservation easement stewardship account for each conservation easement acquired by the board. The board shall seek a financial contribution or assess an easement stewardship payment to the mitigation easement stewardship account for each ~~wetland banking mitigation~~ easement acquired by the board. Unless otherwise provided by law, the board shall determine the amount of the contribution or payment, which must be an amount calculated to earn sufficient money to meet the costs of managing the easement at a level that neither significantly overrecovers nor underrecovers the costs. In determining the amount of the financial contribution, the board shall consider:

- (1) the estimated annual staff hours needed to manage the conservation easement, taking into consideration factors such as easement type, size, location, and complexity;
- (2) the average hourly wages for the class or classes of state and local employees expected to manage the easement;
- (3) the estimated annual travel expenses to manage the easement;

(4) the estimated annual miscellaneous costs to manage the easement, including supplies and equipment, information technology support, and aerial flyovers;

(5) the estimated annualized costs of legal services, including the cost to enforce the easement in the event of a violation;

(6) the estimated annualized costs for repairing or replacing water control structures; and

(6) (7) the expected rate of return on investments in the account.

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

Sec. 29. [103B.104] LAWNS TO LEGUMES PROGRAM.

(a) The Board of Water and Soil Resources may provide financial and technical assistance to plant residential landscapes and community spaces with native vegetation and pollinator-friendly forbs and legumes to:

(1) protect a diversity of pollinators with declining populations; and

(2) provide additional benefits for water management, carbon sequestration, and landscape and climate resiliency.

(b) The board must establish criteria for grants or payments awarded under this section. Grants or payments awarded under this section may give priority consideration for proposals in areas identified by the United States Fish and Wildlife Service as areas where there is a high potential for rusty patched bumble bees and other priority species to be present.

(c) The board may collaborate with and enter into agreements with federal, state, and local agencies; Tribal Nations; nonprofit organizations; and contractors to implement and promote the program.

Sec. 30. [103B.105] HABITAT-FRIENDLY UTILITIES PROGRAM.

(a) The Board of Water and Soil Resources may provide financial and technical assistance to promote the successful establishment of native vegetation as part of utility projects, including solar and wind projects, pipelines, and electrical transmission corridors, to:

(1) ensure the integrity and resiliency of Minnesota landscapes; and

(2) protect habitat and water resources.

(b) The board must establish criteria for grants or payments awarded under this section. Grants or payments awarded under this section may prioritize proposals in areas identified by state and federal agencies and conservation partners for protecting high-priority natural resources and wildlife species.

(c) The board may collaborate with and enter into agreements with federal, state, and local agencies; Tribal Nations; utility companies; nonprofit organizations; and contractors to implement and promote the program.

Sec. 31. **[103B.106] HABITAT ENHANCEMENT LANDSCAPE PROGRAM.**

(a) The Board of Water and Soil Resources may provide financial and technical assistance to establish or enhance areas of diverse native vegetation to:

(1) support declining populations of bees, butterflies, dragonflies, birds, and other wildlife species that are essential for ecosystems and food production across conservation lands, open spaces, and natural areas; and

(2) provide additional benefits for water management, carbon sequestration, and landscape and climate resiliency.

(b) The board must establish criteria for grants or payments awarded under this section. Grants or payments awarded under this section may prioritize proposals in areas identified by state and federal agencies and conservation partners as high priority for protecting endangered or threatened pollinator and other species.

(c) The board may collaborate with and enter into agreements with federal, state, and local agencies; Tribal Nations; nonprofit organizations; and contractors to implement and promote the program.

Sec. 32. Minnesota Statutes 2022, section 103C.501, subdivision 1, is amended to read:

Subdivision 1. **Cost-share Program authorization.** The state board may allocate available funds to districts ~~to share the cost of systems or~~ for practices, projects, and systems for:

(1) erosion or sedimentation control or;

(2) improvements to water quality improvement that are designed to protect and improve soil and water resources; or water quantity;

(3) habitat enhancement;

(4) plant biodiversity;

(5) energy conservation; or

(6) climate adaptation, resiliency, or mitigation.

Sec. 33. Minnesota Statutes 2022, section 103C.501, subdivision 4, is amended to read:

Subd. 4. **Cost-sharing Use of funds.** ~~(a) The state board shall allocate cost sharing funds to areas with high priority erosion, sedimentation, or water quality problems or water quantity problems due to altered hydrology. The areas must be selected based on priorities established by the state board.~~

~~(b) The allocated funds must be used for:~~

(1) for conservation practices for high priority problems activities, including technical and financial assistance, identified in the comprehensive and annual work plans of the districts, for the

technical assistance portion of the grant funds state-approved plans that are related to water and natural resources and established under chapters 103B, 103C, 103D, 103F, 103G, and 114D;

(2) to leverage federal or other nonstate funds; or

(3) to address high-priority needs identified in local water management plans or comprehensive watershed management plans by the district based on public input.

Sec. 34. Minnesota Statutes 2022, section 103C.501, subdivision 5, is amended to read:

Subd. 5. **Contracts by districts.** (a) A district board may ~~contract on a cost-share basis to furnish financial aid to provide technical and financial assistance to~~ a land occupier or to a state or federal agency for permanent systems practices and projects for:

(1) erosion or sedimentation control or;

(2) improvements to water quality or water quantity ~~improvements that are consistent with the district's comprehensive and annual work plans;~~

(3) habitat enhancement;

(4) plant biodiversity;

(5) energy conservation; or

(6) climate adaptation, resiliency, or mitigation.

~~(b) A district board, with approval from the state board and, consistent with state board rules and policies, may contract on a cost-share basis to furnish financial aid to a land occupier for to provide technical and financial assistance for structural and nonstructural land management practices that are part of a planned erosion control or water quality improvement plan and projects.~~

~~(c) The duration of the contract must, at a minimum, be the time required to complete the planned systems. A contract must specify that the land occupier is liable for monetary damages and penalties in an amount up to 150 percent of the financial assistance received from the district, for failure to complete the systems or practices in a timely manner or maintain the systems or practices as specified in the contract.~~

~~(d) A contract may provide for cooperation or funding with federal agencies. A land occupier or state agency may provide the cost-sharing portion of the contract through services in kind.~~

~~(e) (c) The state board or the district board may not furnish any financial aid assistance for practices designed only to increase land productivity.~~

~~(f) (d) When a district board determines that long-term maintenance of a system or practice is desirable, the district or the state board may require that maintenance be made a covenant upon the land for the effective life of the practice. A covenant under this subdivision shall be construed in the same manner as a conservation restriction under section 84.65.~~

Sec. 35. Minnesota Statutes 2022, section 103C.501, subdivision 6, is amended to read:

Subd. 6. **Policies and rules.** ~~(a)~~ The state board may adopt rules and shall adopt policies prescribing:

- ~~(1) procedures and criteria for allocating funds for cost-sharing contracts; and~~
 - ~~(2) standards and guidelines for cost-sharing implementing the conservation contracts; program.~~
 - ~~(3) the scope and content of district comprehensive plans, plan amendments, and annual work plans;~~
 - ~~(4) standards and methods necessary to plan and implement a priority cost-sharing program, including guidelines to identify high priority erosion, sedimentation, and water quality problems and water quantity problems due to altered hydrology;~~
 - ~~(5) the share of the cost of conservation practices to be paid from cost-sharing funds; and~~
 - ~~(6) requirements for districts to document their efforts to identify and contact land occupiers with high priority problems.~~
- ~~(b) The rules may provide that cost sharing may be used for windbreaks and shelterbelts for the purposes of energy conservation and snow protection.~~

Sec. 36. Minnesota Statutes 2022, section 103D.605, subdivision 5, is amended to read:

Subd. 5. **Establishment order.** After the project hearing, if the managers find that the project will be conducive to public health, will promote the general welfare, and is in compliance ~~complies~~ with the watershed management plan and the provisions of this chapter, ~~the board~~ managers must, by order, establish the project. The establishment order must include the findings of the managers.

Sec. 37. **[103F.06] SOIL HEALTH PRACTICES PROGRAM.**

Subdivision 1. **Definitions.** (a) In this section, the following terms have the meanings given:

- (1) "board" means the Board of Water and Soil Resources;
- (2) "local units of government" has the meaning given under section 103B.305, subdivision 5;
and
- (3) "soil health" has the meaning given under section 103C.101, subdivision 10a.

Subd. 2. **Establishment.** (a) The board must administer a financial and technical support program to produce soil health practices that achieve water quality, soil productivity, climate change resiliency, or carbon sequestration benefits.

(b) The program must include but is not limited to no till, field borders, prairie strips, cover crops, and other practices sanctioned by the board or the United States Department of Agriculture's Natural Resources Conservation Service.

Subd. 3. **Financial and technical assistance.** (a) The board may provide financial and technical support to local units of government, private sector organizations, and farmers to establish soil health practices and related practices with climate and water-quality benefits.

(b) The board must establish practices and costs that are eligible for financial and technical support under this section.

Subd. 4. **Program implementation.** (a) The board may employ staff or enter into external agreements to implement this section.

(b) The board must assist local units of government in achieving the objectives of the program, including assessing practice standards and program effectiveness.

Subd. 5. **Federal aid availability.** The board must regularly review availability of federal funds and programs to supplement or complement state and other efforts consistent with the purposes of this section.

Subd. 6. **Soil health practices.** The board, in consultation with the commissioner of agriculture, may cooperate with the United States Department of Agriculture, other federal and state agencies, local governments, and private sector organizations to establish soil health goals for the state that will achieve water quality, soil productivity, climate change resiliency, and carbon sequestration benefits.

Subd. 7. **Carbon market applicability.** The board, in consultation with the commissioner of agriculture, may cooperate with the United States Department of Agriculture, other federal and state agencies, local governments, and private sector organizations to align or incorporate soil health practices with carbon trading, mitigation, or offset markets and related tracking or recognition efforts.

Sec. 38. Minnesota Statutes 2022, section 103F.505, is amended to read:

103F.505 PURPOSE AND POLICY.

(a) It is the purpose of sections 103F.505 to 103F.531 to restore certain marginal agricultural land and protect environmentally sensitive areas to:

- (1) enhance soil and water quality;
- (2) minimize damage to flood-prone areas;
- (3) sequester carbon, ~~and~~;
- (4) support native plant, fish, and wildlife habitats; ~~and~~
- (5) establish perennial vegetation.

(b) It is state policy to encourage ~~the~~:

- (1) restoration of wetlands and riparian lands ~~and promote the retirement~~;

(2) restoration and protection of marginal, highly erodible land, particularly land adjacent to public waters, drainage systems, wetlands, and locally designated priority waters-; and

(3) protection of environmentally sensitive areas, including wellhead protection areas, grasslands, peatlands, shorelands, and forest lands in priority areas.

Sec. 39. Minnesota Statutes 2022, section 103F.511, is amended by adding a subdivision to read:

Subd. 5a. **Grasslands.** "Grasslands" means landscapes that are or were formerly dominated by grasses, that have a low percentage of trees and shrubs, and that provide economic and ecosystem services such as grazing, wildlife habitat, carbon sequestration, and water filtration and retention.

Sec. 40. **[103F.519] REINVEST IN MINNESOTA WORKING LANDS PROGRAM.**

Subdivision 1. **Establishment.** The board may establish and administer a reinvest in Minnesota working lands program that is in addition to the program established under section 103F.515. Selecting land for the program must be based on the land's potential for:

(1) protecting or improving water quality;

(2) reducing erosion;

(3) improving soil health;

(4) reducing chemical inputs;

(5) improving carbon storage; and

(6) increasing biodiversity and habitat for fish, wildlife, and native plants.

Subd. 2. **Applicability.** Section 103F.515 applies to this section except as otherwise provided in subdivisions 1, 3, and 4.

Subd. 3. **Nature of property rights acquired.** Notwithstanding section 103F.515, subdivision 4, paragraph (a), the board may authorize haying and livestock grazing, perennial or winter annual cover crop production, forest management, or other activities that the board determines are consistent with section 103F.505 or appropriation conditions or criteria.

Subd. 4. **Payments for easements.** The board must establish payment rates for acquiring easements and for related practices. The board must consider market factors as well as easement terms, including length and allowable uses, when establishing rates.

Sec. 41. **[103G.216] REPORTING FISH KILLS IN PUBLIC WATERS.**

Subdivision 1. **Definition.** For the purposes of this section and section 103G.2165, "fish kill" means an incident resulting in the death of 25 or more fish within one linear mile of a flowing water or 25 or more fish within a square mile of a nonflowing water.

Subd. 2. **Reporting requirement.** A state or county staff person or official who learns of a fish kill in public waters must report the location of the fish kill to the Minnesota state duty officer within one hour of being notified of a fish kill or within four hours of first observing the fish kill. The Minnesota state duty officer must alert the Departments of Agriculture, Health, and Natural Resources and the Pollution Control Agency of the location of the fish kill within one hour of being notified of the fish kill. When a fish kill is reported, it must be posted to the *EQB Monitor* in the next scheduled posting.

Sec. 42. [103G.2165] DEVELOPMENT OF FISH KILL RESPONSE PROTOCOL.

Subdivision 1. **Development of protocol.** By June 30, 2024, the commissioners of agriculture, health, and natural resources and the commissioner of the Pollution Control Agency must update the fish kill response guidance by developing a protocol. The protocol must consist of steps that state agencies responding to a report of a fish kill under section 103G.216 must take to ascertain cause of or contributing factors to the fish kill based on scientific data and information gathered through investigation, as well as a communication plan to inform the public of potential hazards. The protocol must address:

- (1) how to approach sampling for aquatic life in most fish kill situations;
- (2) the types of locations from which samples described in clause (1) should be taken;
- (3) the types of locations where water samples should be taken from the body of water in which the fish kill occurred, as well as tributary streams and private wells with landowner consent that should also be sampled;
- (4) the types of locations from which soil and groundwater samples should be taken to ascertain whether contaminants traveled overland or underground to reach the body of water in which the fish kill occurred;
- (5) where other sampling should occur to determine the presence of contaminants that may have contributed to the fish kill;
- (6) developing a comprehensive list of contaminants, including degradation products, for which the materials sampled in clauses (3) to (5) should be tested;
- (7) the appropriate concentration limits to be used in testing samples for the presence of contaminants, allowing for the possibility that the fish kill may have resulted from the interaction of two or more contaminants present at concentrations below the level associated with toxic effects resulting from exposure to each individual chemical;
- (8) proper handling, storage, and treatment necessary to preserve the integrity of the samples described in this subdivision to maximize the information the samples can yield regarding the cause of the fish kill;
- (9) the organs and other parts of the fish and other aquatic creatures that should be analyzed to maximize the information the samples can yield regarding the cause of the fish kill;

(10) identifying a rapid response team of interagency staff or an independent contractor with the necessary data collection equipment that can travel to the site of the fish kill to collect samples within 24 to 48 hours of the incident;

(11) a communications plan with a health-risk assessment to notify potentially impacted downstream users of the surface water of the potential hazards and those in the vicinity whose public or private water supply, including surface water or groundwater, may be impacted; and

(12) the proposed content and timing for investigation reports filed following fish kills. Investigation reports should identify the probable causes and include recommendations to prevent similar incidents in the future.

Subd. 2. **Review of protocol.** The Departments of Agriculture, Health, and Natural Resources and the Pollution Control Agency must post the draft protocol to their websites for a 60-day period for public review and comment. The Departments of Agriculture, Health, and Natural Resources and the Pollution Control Agency must hold one or more public informational meetings on the draft protocol. The Departments of Agriculture, Health, and Natural Resources and the Pollution Control Agency must consider comments submitted during the public comment period before posting the final protocol to their websites.

Subd. 3. **Implementation.** Once the protocol has been published, the relevant state agencies must follow the protocol and must maintain data related to each fish kill response documenting the extent to which the protocol was followed and any reasons why it was not. Once the protocol is in effect, investigation reports for fish kills must be posted to the *EQB Monitor*.

Subd. 4. **Updating protocol.** The updated protocol must be reviewed by the commissioners of agriculture, health, and natural resources, and the commissioner of the Pollution Control Agency at least every five years according to the procedures in this section.

Sec. 43. Minnesota Statutes 2022, section 115.01, is amended by adding a subdivision to read:

Subd. 8a. **Microplastics.** "Microplastics" means particles of plastic less than 500 micrometers in size.

Sec. 44. Minnesota Statutes 2022, section 115.01, is amended by adding a subdivision to read:

Subd. 8b. **Nanoplastics.** "Nanoplastics" means plastic particles less than or equal to 100 nanometers in size.

Sec. 45. Minnesota Statutes 2022, section 115.01, is amended by adding a subdivision to read:

Subd. 10a. **Plastic.** "Plastic" means a synthetic material made from linking monomers through a chemical reaction to create a polymer chain that can be molded or extruded at high heat into various solid forms that retain their defined shapes during their life cycle and after disposal. Plastic does not mean natural polymers that have not been chemically modified.

Sec. 46. Minnesota Statutes 2022, section 115.03, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) The agency commissioner is hereby given and charged with the following powers and duties:

(a) (1) to administer and enforce all laws relating to the pollution of any of the waters of the state;

(b) (2) to investigate the extent, character, and effect of the pollution of the waters of this state and to gather data and information necessary or desirable in the administration or enforcement of pollution laws, and to make such classification of the waters of the state as it may deem advisable;

(c) (3) to establish and alter such reasonable pollution standards for any waters of the state in relation to the public use to which they are or may be put as it shall deem necessary for the purposes of this chapter and, with respect to the pollution of waters of the state, chapter 116;

(d) (4) to encourage waste treatment, including advanced waste treatment, instead of stream low-flow augmentation for dilution purposes to control and prevent pollution;

(e) (5) to adopt, issue, reissue, modify, deny, or revoke, enter into or enforce reasonable orders, permits, variances, standards, rules, schedules of compliance, and stipulation agreements, under such conditions as it may prescribe, in order to prevent, control or abate water pollution, or for the installation or operation of disposal systems or parts thereof, or for other equipment and facilities:

(1) (i) requiring the discontinuance of the discharge of sewage, industrial waste or other wastes into any waters of the state resulting in pollution in excess of the applicable pollution standard established under this chapter;

(2) (ii) prohibiting or directing the abatement of any discharge of sewage, industrial waste, or other wastes, into any waters of the state or the deposit thereof or the discharge into any municipal disposal system where the same is likely to get into any waters of the state in violation of this chapter and, with respect to the pollution of waters of the state, chapter 116, or standards or rules promulgated or permits issued pursuant thereto, and specifying the schedule of compliance within which such prohibition or abatement must be accomplished;

(3) (iii) prohibiting the storage of any liquid or solid substance or other pollutant in a manner which does not reasonably assure proper retention against entry into any waters of the state that would be likely to pollute any waters of the state;

(4) (iv) requiring the construction, installation, maintenance, and operation by any person of any disposal system or any part thereof, or other equipment and facilities, or the reconstruction, alteration, or enlargement of its existing disposal system or any part thereof, or the adoption of other remedial measures to prevent, control or abate any discharge or deposit of sewage, industrial waste or other wastes by any person;

(5) (v) establishing, and from time to time revising, standards of performance for new sources taking into consideration, among other things, classes, types, sizes, and categories of sources, processes, pollution control technology, cost of achieving such effluent reduction, and any nonwater quality environmental impact and energy requirements. Said standards of performance for new sources shall encompass those standards for the control of the discharge of pollutants which reflect the greatest degree of effluent reduction which the agency determines to be achievable through application of the best available demonstrated control technology, processes, operating methods, or other alternatives, including, where practicable, a standard permitting no discharge of pollutants. New sources shall encompass buildings, structures, facilities, or installations from which there is

or may be the discharge of pollutants, the construction of which is commenced after the publication by the agency of proposed rules prescribing a standard of performance which will be applicable to such source. Notwithstanding any other provision of the law of this state, any point source the construction of which is commenced after May 20, 1973, and which is so constructed as to meet all applicable standards of performance for new sources shall, consistent with and subject to the provisions of section 306(d) of the Amendments of 1972 to the Federal Water Pollution Control Act, not be subject to any more stringent standard of performance for new sources during a ten-year period beginning on the date of completion of such construction or during the period of depreciation or amortization of such facility for the purposes of section 167 or 169, or both, of the Federal Internal Revenue Code of 1954, whichever period ends first. Construction shall encompass any placement, assembly, or installation of facilities or equipment, including contractual obligations to purchase such facilities or equipment, at the premises where such equipment will be used, including preparation work at such premises;

~~(6)~~ (vi) establishing and revising pretreatment standards to prevent or abate the discharge of any pollutant into any publicly owned disposal system, which pollutant interferes with, passes through, or otherwise is incompatible with such disposal system;

~~(7)~~ (vii) requiring the owner or operator of any disposal system or any point source to establish and maintain such records, make such reports, install, use, and maintain such monitoring equipment or methods, including where appropriate biological monitoring methods, sample such effluents in accordance with such methods, at such locations, at such intervals, and in such a manner as the agency shall prescribe, and providing such other information as the agency may reasonably require;

~~(8)~~ (viii) notwithstanding any other provision of this chapter, and with respect to the pollution of waters of the state, chapter 116, requiring the achievement of more stringent limitations than otherwise imposed by effluent limitations in order to meet any applicable water quality standard by establishing new effluent limitations, based upon section 115.01, subdivision 13, clause (b), including alternative effluent control strategies for any point source or group of point sources to insure the integrity of water quality classifications, whenever the agency determines that discharges of pollutants from such point source or sources, with the application of effluent limitations required to comply with any standard of best available technology, would interfere with the attainment or maintenance of the water quality classification in a specific portion of the waters of the state. Prior to establishment of any such effluent limitation, the agency shall hold a public hearing to determine the relationship of the economic and social costs of achieving such limitation or limitations, including any economic or social dislocation in the affected community or communities, to the social and economic benefits to be obtained and to determine whether or not such effluent limitation can be implemented with available technology or other alternative control strategies. If a person affected by such limitation demonstrates at such hearing that, whether or not such technology or other alternative control strategies are available, there is no reasonable relationship between the economic and social costs and the benefits to be obtained, such limitation shall not become effective and shall be adjusted as it applies to such person;

~~(9)~~ (ix) modifying, in its discretion, any requirement or limitation based upon best available technology with respect to any point source for which a permit application is filed after July 1, 1977, upon a showing by the owner or operator of such point source satisfactory to the agency that such modified requirements will represent the maximum use of technology within the economic capability

of the owner or operator and will result in reasonable further progress toward the elimination of the discharge of pollutants; and

~~(10)~~ (x) requiring that applicants for wastewater discharge permits evaluate in their applications the potential reuses of the discharged wastewater;

~~(6)~~ (6) to require to be submitted and to approve plans and specifications for disposal systems or point sources, or any part thereof and to inspect the construction thereof for compliance with the approved plans and specifications thereof;

~~(7)~~ (7) to prescribe and alter rules, not inconsistent with law, for the conduct of the agency and other matters within the scope of the powers granted to and imposed upon it by this chapter and, with respect to pollution of waters of the state, in chapter 116, provided that every rule affecting any other department or agency of the state or any person other than a member or employee of the agency shall be filed with the secretary of state;

~~(8)~~ (8) to conduct such investigations, issue such notices, public and otherwise, and hold such hearings as are necessary or which it may deem advisable for the discharge of its duties under this chapter and, with respect to the pollution of waters of the state, under chapter 116, including, but not limited to, the issuance of permits, and to authorize any member, employee, or agent appointed by it to conduct such investigations or, issue such notices and hold such hearings;

~~(9)~~ (9) for the purpose of water pollution control planning by the state and pursuant to the Federal Water Pollution Control Act, as amended, to establish and revise planning areas, adopt plans and programs and continuing planning processes, including, but not limited to, basin plans and areawide waste treatment management plans, and to provide for the implementation of any such plans by means of, including, but not limited to, standards, plan elements, procedures for revision, intergovernmental cooperation, residual treatment process waste controls, and needs inventory and ranking for construction of disposal systems;

~~(10)~~ (10) to train water pollution control personnel; and charge ~~such training fees therefor~~ as are necessary to cover the agency's costs. All such fees received ~~shall~~ must be paid into the state treasury and credited to the Pollution Control Agency training account;

(11) to provide chloride reduction training and charge training fees as necessary to cover the agency's costs not to exceed \$350. All training fees received must be paid into the state treasury and credited to the Pollution Control Agency training account;

~~(12)~~ (12) to impose as additional conditions in permits to publicly owned disposal systems appropriate measures to insure compliance by industrial and other users with any pretreatment standard, including, but not limited to, those related to toxic pollutants, and any system of user charges ratably as is hereby required under state law or said Federal Water Pollution Control Act, as amended, or any regulations or guidelines promulgated thereunder;

~~(13)~~ (13) to set a period not to exceed five years for the duration of any national pollutant discharge elimination system permit or not to exceed ten years for any permit issued as a state disposal system permit only;

~~(m)~~ (14) to require each governmental subdivision identified as a permittee for a wastewater treatment works to evaluate in every odd-numbered year the condition of its existing system and identify future capital improvements that will be needed to attain or maintain compliance with a national pollutant discharge elimination system or state disposal system permit; and

~~(n)~~ (15) to train subsurface sewage treatment system personnel, including persons who design, construct, install, inspect, service, and operate subsurface sewage treatment systems, and charge fees as necessary to pay the agency's costs. All fees received must be paid into the state treasury and credited to the agency's training account. Money in the account is appropriated to the agency to pay expenses related to training.

(b) The information required in paragraph (a), clause ~~(m)~~ (14), must be submitted in every odd-numbered year to the commissioner on a form provided by the commissioner. The commissioner shall provide technical assistance if requested by the governmental subdivision.

(c) The powers and duties given the agency in this subdivision also apply to permits issued under chapter 114C.

Sec. 47. Minnesota Statutes 2022, section 115A.1415, is amended to read:

115A.1415 ARCHITECTURAL PAINT; PRODUCT STEWARDSHIP PROGRAM; STEWARDSHIP PLAN.

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

(1) "architectural paint" means interior and exterior architectural coatings sold in containers of five gallons or less. Architectural paint does not include industrial coatings, original equipment coatings, or specialty coatings;

(2) "brand" means a name, symbol, word, or mark that identifies architectural paint, rather than its components, and attributes the paint to the owner or licensee of the brand as the producer;

(3) "discarded paint" means architectural paint that is no longer used for its manufactured purpose;

(4) "producer" means a person that:

(i) has legal ownership of the brand, brand name, or cobrand of architectural paint sold in the state;

(ii) imports architectural paint branded by a producer that meets item (i) when the producer has no physical presence in the United States;

(iii) if items (i) and (ii) do not apply, makes unbranded architectural paint that is sold in the state; or

(iv) sells architectural paint at wholesale or retail, does not have legal ownership of the brand, and elects to fulfill the responsibilities of the producer for the architectural paint by certifying that election in writing to the commissioner;

(5) "recycling" means the process of collecting and preparing recyclable materials and reusing the materials in their original form or using them in manufacturing processes that do not cause the destruction of recyclable materials in a manner that precludes further use;

(6) "retailer" means any person who offers architectural paint for sale at retail in the state;

(7) "reuse" means donating or selling collected architectural paint back into the market for its original intended use, when the architectural paint retains its original purpose and performance characteristics;

(8) "sale" or "sell" means transfer of title of architectural paint for consideration, including a remote sale conducted through a sales outlet, catalog, website, or similar electronic means. Sale or sell includes a lease through which architectural paint is provided to a consumer by a producer, wholesaler, or retailer;

(9) "stewardship assessment" means the amount added to the purchase price of architectural paint sold in the state ~~that is necessary to cover the cost of collecting, transporting, and processing postconsumer architectural paint by the producer or stewardship organization pursuant to a product stewardship program~~ to implement a product stewardship program according to an approved stewardship plan;

(10) "stewardship organization" means an organization appointed by one or more producers to act as an agent on behalf of the producer to design, submit, and administer a product stewardship program under this section; and

(11) "stewardship plan" means a detailed plan describing the manner in which a product stewardship program under subdivision 2 will be implemented.

Subd. 2. Product stewardship program. For architectural paint sold in the state, producers must, individually or through a stewardship organization, implement and finance a statewide product stewardship program that manages the architectural paint by reducing the paint's waste generation, promoting its reuse and recycling, and providing for negotiation and execution of agreements to collect, transport, and process the architectural paint for end-of-life recycling and reuse.

Subd. 3. Participation required to sell. (a) ~~On and after July 1, 2014, or three months after program plan approval, whichever is sooner,~~ No producer, wholesaler, or retailer may sell or offer for sale in the state architectural paint unless the paint's producer participates in an approved stewardship plan, either individually or through a stewardship organization.

(b) Each producer must operate a product stewardship program approved by the ~~agency commissioner~~ or enter into an agreement with a stewardship organization to operate, on the producer's behalf, a product stewardship program approved by the agency commissioner.

Subd. 4. Stewardship plan required. (a) ~~On or before March 1, 2014, and~~ Before offering architectural paint for sale in the state, a producer must submit a stewardship plan to the ~~agency commissioner~~ and receive approval of the plan or must submit documentation to the agency commissioner that demonstrates the producer has entered into an agreement with a stewardship organization to be an active participant in an approved product stewardship program as described in subdivision 2. A stewardship plan must include all elements required under subdivision 5.

(b) ~~An~~ A proposed amendment to the plan, if determined necessary by the commissioner, must be submitted to the commissioner for review and approval or rejection every five years.

~~(c) It is the responsibility of~~ The entities responsible for each stewardship plan ~~to~~ must notify the ~~agency~~ commissioner within 30 days of any significant proposed changes or modifications to the plan or its implementation. Within 30 days of the notification, a written proposed plan revision ~~amendment~~ must be submitted to the ~~agency~~ commissioner for review and approval or rejection.

Subd. 5. **Plan content.** A stewardship plan must contain:

(1) certification that the product stewardship program will accept all discarded paint regardless of which producer produced the architectural paint and its individual components;

(2) contact information for the individual and the entity submitting the stewardship plan, a list of all producers participating in the product stewardship program, and the brands covered by the product stewardship program;

(3) a description of the methods by which the discarded paint will be collected in all areas in the state without relying on end-of-life fees, including an explanation of how the collection system will be convenient and adequate to serve the needs of small businesses and residents in both urban and rural areas on an ongoing basis and a discussion of how the existing household hazardous waste infrastructure will be considered when selecting collection sites;

(4) a description of how the adequacy of the collection program will be monitored and maintained;

(5) the names and locations of collectors, transporters, and recyclers that will manage discarded paint;

(6) a description of how the discarded paint and the paint's components will be safely and securely transported, tracked, and handled from collection through final recycling and processing;

(7) a description of the method that will be used to reuse, deconstruct, or recycle the discarded paint to ensure that the paint's components, to the extent feasible, are transformed or remanufactured into finished products for use;

(8) a description of the promotion and outreach activities that will be used to encourage participation in the collection and recycling programs and how the activities' effectiveness will be evaluated and the program modified, if necessary;

(9) the proposed stewardship assessment. ~~The producer or stewardship organization shall propose a uniform stewardship assessment for any architectural paint sold in the state. The proposed stewardship assessment shall be reviewed by an independent auditor to ensure that the assessment does not exceed the costs of the product stewardship program and the independent auditor shall recommend an amount for the stewardship assessment. The agency must approve the stewardship assessment established according to subdivision 5a;~~

(10) evidence of adequate insurance and financial assurance that may be required for collection, handling, and disposal operations;

(11) five-year performance goals, including an estimate of the percentage of discarded paint that will be collected, reused, and recycled during each of the first five years of the stewardship plan. The performance goals must include a specific goal for the amount of discarded paint that will be collected and recycled and reused during each year of the plan. The performance goals must be based on:

- (i) the most recent collection data available for the state;
 - (ii) the estimated amount of architectural paint disposed of annually;
 - (iii) the weight of the architectural paint that is expected to be available for collection annually;
- and
- (iv) actual collection data from other existing stewardship programs.

The stewardship plan must state the methodology used to determine these goals; and

(12) a discussion of the status of end markets for collected architectural paint and what, if any, additional end markets are needed to improve the functioning of the program.

Subd. 5a. **Stewardship assessment.** The producer or stewardship organization must propose a uniform stewardship assessment for any architectural paint sold in the state that covers but does not exceed the costs of developing the stewardship plan, operating and administering the program in accordance with the stewardship plan and the requirements of this section, and maintaining a financial reserve. A stewardship organization or producer must not maintain a financial reserve in excess of 75 percent of the organization's annual operating expenses. The producer or stewardship organization must retain an independent auditor to review the proposed stewardship assessment to ensure that the assessment meets the requirements of this section. The independent auditor must recommend an amount for the stewardship assessment. If the financial reserve exceeds 75 percent of the producer or stewardship organization's annual operating expenses, the producer or stewardship organization must submit a proposed plan amendment according to subdivision 4, paragraph (c), to comply with this subdivision. The commissioner must review and approve or reject the stewardship assessment according to subdivision 7.

Subd. 6. **Consultation required.** Each stewardship organization or individual producer submitting a stewardship plan or plan amendment must consult with stakeholders including retailers, contractors, collectors, recyclers, local government, and customers during the development of the plan or plan amendment.

Subd. 7. **Agency Commissioner review and approval.** (a) Within 90 days after receipt of receiving a proposed stewardship plan, the ~~agency shall~~ commissioner must determine whether the plan complies with ~~subdivision 4~~ this section. If the ~~agency~~ commissioner approves a plan, the ~~agency shall~~ commissioner must notify the applicant of the plan approval in writing. If the ~~agency~~ commissioner rejects a plan, the ~~agency shall~~ commissioner must notify the applicant in writing of the reasons for rejecting the plan.

(b) An applicant whose plan is rejected by the ~~agency~~ commissioner must submit a revised stewardship plan to the ~~agency~~ commissioner within 60 days after receiving notice of rejection. A stewardship organization may submit a revised stewardship plan to the commissioner on not more

than two consecutive occasions. If, after the second consecutive submission, the commissioner determines that the revised stewardship plan still does not meet the requirements of this section, the commissioner must modify the stewardship plan as necessary to meet the requirements of this section and approve the stewardship plan.

~~(b)~~ (c) Any proposed ~~changes~~ amendment to a stewardship plan must be reviewed and approved or rejected by the agency commissioner in writing according to this subdivision.

Subd. 8. **Plan availability.** All ~~draft~~ proposed stewardship plans and amendments and approved stewardship plans ~~shall~~ and amendments must be placed on the agency's website for at least 30 days and made available at the agency's headquarters for public review and comment.

Subd. 9. **Conduct authorized.** A producer or stewardship organization that organizes collection, transport, and processing of architectural paint under this section is immune from liability for the conduct under state laws relating to antitrust, restraint of trade, unfair trade practices, and other regulation of trade or commerce only to the extent that the conduct is necessary to plan and implement the producer's or organization's chosen organized collection or recycling system.

Subd. 10. **Producer responsibilities.** (a) On and after the date of implementation of a product stewardship program according to this section, a producer of architectural paint must add the stewardship assessment, as established under subdivision ~~5, clause (9)~~ 5a, to the cost of architectural paint sold to retailers and distributors in the state by the producer.

(b) Producers of architectural paint or the stewardship organization ~~shall~~ must provide consumers with educational materials regarding the stewardship assessment and product stewardship program. The materials must include, but are not limited to, information regarding available end-of-life management options for architectural paint offered through the product stewardship program and information that notifies consumers that a charge for the operation of the product stewardship program is included in the purchase price of architectural paint sold in the state.

Subd. 11. **Retailer responsibilities.** (a) ~~On and after July 1, 2014, or three months after program plan approval, whichever is sooner,~~ No architectural paint may be sold in the state unless the paint's producer is participating in an approved stewardship plan.

(b) On and after the implementation date of a product stewardship program according to this section, each retailer or distributor, as applicable, must ensure that the full amount of the stewardship assessment added to the cost of architectural paint by producers under subdivision 10 is included in the purchase price of all architectural paint sold in the state.

(c) Any retailer may participate, on a voluntary basis, as a designated collection point pursuant to a product stewardship program under this section and in accordance with applicable law.

(d) No retailer or distributor shall be found to be in violation of this subdivision if, on the date the architectural paint was ordered from the producer or its agent, the producer was listed as compliant on the agency's website according to subdivision 14.

Subd. 12. **Stewardship reports.** ~~Beginning October 1, 2015,~~ By April 1 each year, producers of architectural paint sold in the state must individually or through a stewardship organization submit

an annual report to the agency commissioner describing the product stewardship program for the preceding calendar year. At a minimum, the report must contain:

(1) a description of the methods used to collect, transport, and process architectural paint in all regions of the state;

(2) the weight of all architectural paint collected in all regions of the state and a comparison to the performance goals and recycling rates established in the stewardship plan;

(3) the amount of unwanted architectural paint collected in the state by method of disposition, including reuse, recycling, and other methods of processing;

(4) samples of educational materials provided to consumers and an evaluation of the effectiveness of the materials and the methods used to disseminate the materials; and

(5) an independent financial audit.

Subd. 13. **Data classification.** Trade secret and sales information, as defined under section 13.37, submitted to the agency commissioner under this section are private or nonpublic data under section 13.37.

Subd. 14. **Agency Commissioner responsibilities.** ~~The agency shall~~ commissioner must provide, on its the agency's website, a list of all compliant producers and brands participating in stewardship plans that the agency commissioner has approved and a list of all producers and brands the agency commissioner has identified as noncompliant with this section.

Subd. 15. **Local government responsibilities.** (a) A city, county, or other public agency may choose to participate voluntarily in a product stewardship program.

(b) Cities, counties, and other public agencies are encouraged to work with producers and stewardship organizations to assist in meeting product stewardship program reuse and recycling obligations, by providing education and outreach or using other strategies.

(c) A city, county, or other public agency that participates in a product stewardship program must report for the first year of the program to the agency commissioner using the reporting form provided by the agency commissioner on the cost savings as a result of participation and must describe how the savings were used.

Subd. 16. **Administrative fee.** (a) The stewardship organization or individual producer submitting a stewardship plan ~~shall~~ must pay an annual administrative fee to the commissioner. The agency commissioner may establish a variable fee based on relevant factors, including, but not limited to, the portion of architectural paint sold in the state by members of the organization compared to the total amount of architectural paint sold in the state by all organizations submitting a stewardship plan.

(b) ~~Prior to July 1, 2014, and~~ Before July 1 annually thereafter each year, the agency shall commissioner must identify the costs it the agency incurs under this section. The agency shall commissioner must set the fee at an amount that, when paid by every stewardship organization or individual producer that submits a stewardship plan, is adequate to reimburse the agency's full costs

of administering this section. The total amount of annual fees collected under this subdivision must not exceed the amount necessary to reimburse costs incurred by the agency to administer this section.

(c) A stewardship organization or individual producer subject to this subdivision must pay the ~~agency's~~ commissioner's administrative fee under paragraph (a) on or before July 1, ~~2014, and annually thereafter each year.~~ Each year after the initial payment, the annual administrative fee may not exceed five percent of the aggregate stewardship assessment added to the cost of all architectural paint sold by producers in the state for the preceding calendar year.

(d) All fees received under this section ~~shall~~ must be deposited in the state treasury and credited to a product stewardship account in the special revenue fund. ~~For fiscal years 2014, 2015, 2016, and 2017,~~ The amount collected under this section is annually appropriated to the ~~agency commissioner~~ to implement and enforce this section.

Subd. 17. **Duty to provide information.** Upon request of the commissioner for purposes of determining compliance with this section, a person must furnish to the commissioner any information that the person has or may reasonably obtain.

Sec. 48. Minnesota Statutes 2022, section 115A.49, is amended to read:

115A.49 SOLID WASTE MANAGEMENT PROJECTS CAPITAL ASSISTANCE PROGRAM.

(a) There is established a program to encourage and assist cities, counties, solid waste management districts, and sanitary districts in the development and implementation of solid waste management projects and to transfer the knowledge and experience gained from such projects to other communities in the state.

(b) The program must be administered to encourage local communities to develop feasible and prudent alternatives to disposal, including:

- (1) waste reduction;
- (2) reuse;
- (3) recycling;
- (4) composting source-separated compostable materials or yard waste;
- (5) resource recovery;
- (6) waste separation by generators, collectors, and other persons; and
- (7) waste processing.

(c) The commissioner shall administer the program ~~in accordance with the requirements of~~ according to sections 115A.49 to 115A.54 and rules ~~promulgated~~ adopted under chapter 14. In administering the program, the commissioner shall give priority to projects in the order of preference of the waste management practices listed in section 115A.02. The commissioner shall give special consideration to areas where natural geologic and soil conditions are especially unsuitable for land

disposal of solid waste; areas where the capacity of existing solid waste disposal facilities is determined by the commissioner to be less than five years; and projects serving more than one local government unit.

Sec. 49. Minnesota Statutes 2022, section 115A.51, is amended to read:

115A.51 APPLICATION REQUIREMENTS.

(a) Applications for assistance under the program must demonstrate:

(1) that the project is conceptually and technically feasible;

(2) that affected political subdivisions are committed to implement the project, to provide necessary local financing, and to accept and exercise the government powers necessary to the project;

(3) that operating revenues from the project, considering the availability and security of sources of solid waste and of markets for recovered resources or the availability of materials for waste reduction or reuse, together with any proposed federal, state, or local financial assistance, will be sufficient to pay all costs over the projected life of the project;

(4) that the applicant has evaluated the feasible and prudent alternatives to disposal, including using existing solid waste management facilities and facilities conducting waste reduction or reuse with reasonably available capacity sufficient to accomplish the goals of the proposed project, and has compared and evaluated the costs of the alternatives, including capital and operating costs, and the effects of the alternatives on the cost to generators;

(5) that the applicant has identified:

(i) waste management objectives in applicable county and regional solid waste management plans consistent with section 115A.46, subdivision 2, paragraphs (e) and (f), or 473.149, subdivision 1; and

(ii) other solid waste management facilities and facilities conducting waste reduction or reuse identified in the county and regional plans; ~~and~~

(6) that the applicant has conducted a comparative analysis of the project against existing public and private solid waste management facilities and facilities conducting waste reduction or reuse, including an analysis of potential displacement of those facilities, to determine whether the project is the most appropriate alternative to achieve the identified waste management objectives that considers:

(i) conformity with approved county or regional solid waste management plans;

(ii) consistency with the state's solid waste hierarchy and section 115A.46, subdivision 2, paragraphs (e) and (f), or 473.149, subdivision 1; and

(iii) environmental standards related to public health, air, surface water, and groundwater;

(7) that the applicant has evaluated the project's environmental impact on climate change, including greenhouse gas emissions; and

(8) that the applicant has reviewed the project's impact on overburdened areas, conducted stakeholder engagement, and assessed community input.

(b) The commissioner ~~may~~ must require completion of a comprehensive solid waste management plan conforming to the requirements of section 115A.46, before accepting an application. Within five days of filing an application with the agency, the applicant must submit a copy of the application to each solid waste management facility, including each facility used for waste reduction or reuse, mentioned in the portion of the application addressing the requirements of paragraph (a), clauses (5) and (6).

Sec. 50. Minnesota Statutes 2022, section 115A.54, subdivision 1, is amended to read:

Subdivision 1. **Purposes; public interest; declaration of policy.** The legislature finds that ~~the establishment of waste processing~~ acquiring, establishing, and improving facilities that conduct waste reduction, reuse, recycling, composting source-separated compostable materials or yard waste, resource recovery, and waste processing and transfer stations serving such facilities is needed to reduce and manage properly the solid waste generated in the state and to conserve and protect the natural resources in the state and the health, safety, and welfare of its citizens; that opportunities to acquire, establish, and improve the facilities and transfer stations are not being fully realized by individual political subdivisions or by agreements among subdivisions; and that therefore it is necessary to provide capital assistance to stimulate and encourage the acquisition, establishment, and betterment improvement of the facilities and transfer stations.

Sec. 51. Minnesota Statutes 2022, section 115A.54, subdivision 2, is amended to read:

Subd. 2. **Administration; assurance of funds.** The commissioner shall provide technical and financial assistance ~~for the acquisition and betterment of~~ to acquire, establish, and improve the facilities and transfer stations from revenues derived from ~~the issuance of~~ issuing bonds authorized by section 115A.58. Facilities for ~~the incineration of~~ incinerating solid waste without resource recovery are not eligible for assistance. Money appropriated for the purposes of the ~~demonstration~~ program may be distributed as grants or loans. An individual project may receive assistance totaling up to 100 percent of the capital cost of the project and grants up to ~~50~~ 75 percent of the capital cost of the project. No grant or loan shall be disbursed to any recipient until the commissioner has determined the total estimated capital cost of the project and ascertained that financing of the cost is assured by funds provided by the state, by an agency of the federal government within the amount of funds then appropriated to that agency and allocated by it to projects within the state, by any person, or by the appropriation of proceeds of bonds or other funds of the recipient to a fund for ~~the construction of~~ constructing the project.

Sec. 52. Minnesota Statutes 2022, section 115A.54, subdivision 2a, is amended to read:

Subd. 2a. **Solid waste management projects.** (a) The commissioner shall provide technical and financial assistance ~~for the acquisition and betterment of~~ to acquire, establish, and improve solid waste management projects as provided in this subdivision and section 115A.52. Money appropriated for the purposes of this subdivision must be distributed as grants.

(b) Except as provided in paragraph (c), a project may receive grant assistance up to 25 percent of the capital cost of the project or ~~\$2,000,000~~ \$5,000,000, whichever is less, except that projects constructed as a result of intercounty cooperative agreements may receive the lesser of:

(1) grant assistance up to 25 percent of the capital cost of the project; or

(2) ~~\$2,000,000~~ \$5,000,000 times the number of participating counties, ~~whichever is less.~~

(c) A recycling project or, a project to compost or eecompost source-separated compostable material or yard waste, or a project to manage household hazardous waste may receive grant assistance up to 50 percent of the capital cost of the project or ~~\$2,000,000~~ \$5,000,000, whichever is less, except that projects completed as a result of intercounty cooperative agreements may receive the lesser of:

(1) grant assistance up to 50 percent of the capital cost of the project; or

(2) ~~\$2,000,000~~ \$5,000,000 times the number of participating counties, ~~whichever is less.~~

(d) The following projects may also receive grant assistance in the amounts specified in ~~this~~ paragraph (c):

(1) a project to improve control of or reduce air emissions at an existing resource recovery facility; and

(2) a project to substantially increase the recovery of materials or energy, substantially reduce the amount or toxicity of waste processing residuals, or expand the capacity of an existing resource recovery facility to meet the resource recovery needs of an expanded region if each county from which waste is or would be received has achieved a recycling rate in excess of the goals in section 115A.551, and is implementing aggressive waste reduction and household hazardous waste management programs.

(e) A waste reduction project or reuse project may receive grant assistance up to 75 percent of the capital cost of the project or \$5,000,000, whichever is less, except that projects completed as a result of intercounty cooperative agreements may receive the lesser of:

(1) grant assistance up to 75 percent of the capital cost of the project; or

(2) \$5,000,000 times the number of participating counties.

~~(f)~~ (f) Notwithstanding paragraph ~~(e)~~ (g), the commissioner may award grants for transfer stations that will initially transfer waste to landfills if the transfer stations are part of a planned resource recovery project, the county where the planned resource recovery facility will be located has a comprehensive solid waste management plan approved by the commissioner, and the solid waste management plan proposes the development of the resource recovery facility. If the proposed resource recovery facility is not in place and operating within 16 years of the date of the grant award, the recipient shall repay the grant amount to the state.

~~(g)~~ (g) Projects without waste reduction, reuse, recycling, composting source-separated compostable material or yard waste, or resource recovery are not eligible for assistance. Solid waste disposal facilities and equipment are not eligible for assistance.

~~(h)~~ (h) In addition to any assistance received under paragraph (b) ~~or~~, (c), (d), or (e), a project may receive grant assistance for the cost of tests necessary to determine the appropriate pollution control equipment for the project or the environmental effects of the use of any product or material produced by the project.

~~(g)~~ (i) In addition to the application requirements of section 115A.51, an application for a project serving eligible jurisdictions in only a single county must demonstrate that cooperation with jurisdictions in other counties to develop the project is not needed or not feasible. Each application must also demonstrate that the project is not financially prudent without the state assistance, because of the applicant's financial capacity and the problems inherent in the waste management situation in the area, particularly transportation distances and limited waste supply and markets for resources recovered.

~~(h)~~ (j) For the purposes of this subdivision, a "project" means acquisition, establishment, or improvement of a processing facility; that conducts waste reduction, reuse, recycling, composting, source-separated compostable materials or yard waste, resource recovery, or waste processing, together with any transfer stations, transmission facilities, and other related and appurtenant facilities primarily serving the ~~processing~~ facility.

(k) The commissioner shall adopt rules for the program ~~by July 1, 1985.~~

~~(i)~~ (l) Notwithstanding anything in this subdivision to the contrary, a project to construct a new ~~mixed-municipal~~ solid waste transfer station that has an enforceable commitment of at least ten years, or of sufficient length to retire bonds sold for the facility, to serve an existing resource recovery facility may receive grant assistance up to 75 percent of the capital cost of the project if addition of the transfer station will increase substantially the geographical area served by the resource recovery facility and the ability of the resource recovery facility to operate more efficiently on a regional basis and the facility meets the criteria in paragraph ~~(e)~~ (d), ~~the second~~ clause (2). A transfer station eligible for assistance under this paragraph is not eligible for assistance under any other paragraph of this subdivision.

Sec. 53. Minnesota Statutes 2022, section 115A.565, subdivision 1, is amended to read:

Subdivision 1. **Grant program established.** The commissioner must make competitive grants to political subdivisions or federally recognized Tribes ~~to establish curbside recycling or composting, increase for waste reduction, reuse, recycling or, and composting, reduce the amount of recyclable materials entering disposal facilities, or reduce the costs associated with hauling waste by locating collection sites as close as possible to the site where the waste is generated~~ of source-separated compostable materials or yard waste. To be eligible for grants under this section, a political subdivision or federally recognized Tribe must be located outside the seven-county metropolitan area and a city must have a population of less than 45,000.

Sec. 54. Minnesota Statutes 2022, section 115A.565, subdivision 3, is amended to read:

Subd. 3. **Priorities; eligible projects.** (a) If applications for grants exceed the available appropriations, grants must be made for projects that, in the commissioner's judgment, provide the highest return in public benefits.

(b) To be eligible to receive a grant, a project must:

(1) be locally administered;

(2) have an educational component and measurable outcomes;

(3) request \$250,000 or less;

(4) demonstrate local direct and indirect matching support of at least a quarter amount of the grant request; ~~and~~

(5) include at least one of the following elements:

~~(i) transition to residential recycling through curbside or centrally located collection sites;~~

~~(ii) development of local recycling systems to support curbside recycling; or~~

~~(iii) development or expansion of local recycling systems to support recycling bulk materials, including, but not limited to, electronic waste.~~

(i) waste reduction;

(ii) reuse;

(iii) recycling; or

(iv) composting of source-separated compostable materials or yard waste; and

(6) demonstrate that the project will reduce waste generation through waste reduction or reuse or that the project will increase the amount of recyclable materials or source-separated compostable materials diverted from a disposal facility.

Sec. 55. [116.065] CUMULATIVE IMPACTS ANALYSIS; PERMIT DECISIONS IN ENVIRONMENTAL JUSTICE AREAS.

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

(b) "Commissioner" means the commissioner of the Minnesota Pollution Control Agency.

(c) "Cumulative impacts" means the impacts of aggregated levels of past and current air, water, and land pollution in a defined geographic area to which current residents are exposed.

(d) "Environmental justice" means:

(1) communities of color, Indigenous communities, and low-income communities have a healthy environment and are treated fairly when environmental statutes, rules, and policies are developed, adopted, implemented, and enforced; and

(2) in all decisions that have the potential to affect the environment of an environmental justice area or the public health of its residents, due consideration is given to the history of the area's and its residents' cumulative exposure to pollutants and to any current socioeconomic conditions that increase the physical sensitivity of those residents to additional exposure to pollutants.

(e) "Environmental justice area" means one or more census tracts in Minnesota:

(1) in which, based on the most recent data published by the United States Census Bureau:

(i) 40 percent or more of the population is nonwhite;

(ii) 35 percent or more of the households have an income at or below 200 percent of the federal poverty level; or

(iii) 40 percent or more of the population over the age of five has limited English proficiency;
or

(2) located within Indian Country, as defined in United States Code, title 18, section 1151.

(f) "Environmental stressors" mean factors that may make residents of an environmental justice area particularly sensitive to exposure to pollutants. Environmental stressors include social and environmental factors, including but not limited to poverty, substandard housing, food insecurity, elevated rates of disease, and poor access to health insurance and medical care.

Subd. 2. **Cumulative impacts analysis; when required.** (a) Except as provided in paragraph (b), this subdivision applies to the following permit applications for the construction of a new facility or the expansion of an existing facility within the seven-county metropolitan area or within Indian Country, as defined in United States Code, title 18, section 1151:

(1) a major source air permit, as defined in Minnesota Rules, part 7007.0200, subpart 2;

(2) a state air permit required under Minnesota Rules, part 7007.0250, subpart 6;

(3) an individual permit for a solid waste disposal facility proposing to receive or increase capacity by 100,000 cubic yards or more of waste annually; and

(4) a permit required for the treatment, storage, or disposal of hazardous waste.

(b) This section does not apply to the construction of a new facility or the expansion of an existing facility by a person acting under a permit to mine iron, taconite, or nonferrous metallic minerals, or to a permit application for the construction of a new facility or the expansion of an existing facility in the Taconite Assistance Area, as defined in section 273.1341.

(c) The owner or operator of a facility subject to paragraph (a), clause (1), must conduct a cumulative impacts analysis if the facility is located in or, as determined by the commissioner, may affect the environment or health of residents in an environmental justice area and:

(1) the proposed facility or expansion exceeds the benchmarks established in rules adopted under subdivision 5 for requiring a cumulative impacts analysis; or

(2) a petition signed by at least 100 persons residing or owning property in the affected environmental justice area is submitted to the commissioner and supported by material evidence demonstrating, to the satisfaction of the commissioner, that a potential adverse cumulative impact on the environment or health of the residents of the environmental justice area may result if the permit is issued.

In making this determination, the commissioner may consider material evidence submitted by the owner or operator of the facility seeking the permit that issuance of the permit will not result in a potential adverse cumulative impact in the environmental justice area.

(d) The commissioner may require an owner or operator of a facility described in paragraph (a), clauses (1) to (4), that is seeking reissuance of a permit to conduct a cumulative impacts analysis if the commissioner has material evidence that demonstrates that a potential adverse cumulative impact on the environment or health of the residents of the environmental justice area may result if the permit is issued and:

(1) the facility is located within one mile of the boundary of an environmental justice area within the seven-county metropolitan area;

(2) the facility is located within one mile of Indian Country, as defined in United States Code, title 18, section 1151; or

(3) the proposed facility does not exceed the benchmarks established in rules adopted under subdivision 5 for requiring a cumulative impacts analysis.

In making this determination, the commissioner may consider material evidence submitted by the owner or operator of the facility seeking the permit that reissuance of the permit will not result in a potential adverse cumulative effect in the environmental justice area.

Subd. 3. Cumulative impacts analysis; public meeting requirements. (a) Any owner or operator required to conduct a cumulative impacts analysis under subdivision 2 must hold at least two public meetings in the affected environmental justice area before the commissioner issues or denies a permit. The first public meeting must be held before conducting a cumulative impacts analysis, and the second must be held after conducting the analysis.

(b) The owner or operator must:

(1) publish notice containing the date, time, and location of the public meetings and a brief description of the permit or project in a newspaper of general circulation in the environmental justice area at least 30 days before the meetings;

(2) post physical signage in the environmental justice area impacted, as directed by the commissioner; and

(3) provide the commissioner with notice of the public meeting and a copy of the cumulative impacts analysis at least 45 days before the second public meeting.

(c) The commissioner must post the notice and cumulative impacts analysis on the agency website at least 30 days before the second public meeting.

(d) The permit applicant or permit holder must:

(1) provide an opportunity for robust public and Tribal engagement at the public meetings;

(2) accept written and oral comments, as directed by the commissioner, from any interested party; and

(3) provide an electronic copy of all written comments and a transcript of oral comments to the agency within 30 days of the public meetings.

(e) If the permit applicant or permit holder is applying for more than one permit that may affect the same environmental justice area, the permit applicant or permit holder may request that the commissioner require that the facility hold two public meetings that address all of the permits sought. The commissioner may approve or deny the request.

(f) The commissioner may incorporate conditions in a permit for a facility located in or affecting an environmental justice area to hold multiple in-person meetings with residents of the environmental justice area affected by the facility to share information and discuss community concerns.

Subd. 4. **Environmental justice area; permit decisions.** (a) In determining whether to issue or deny a permit, the commissioner must consider the testimony presented and comments submitted in public meetings held under subdivision 3. The permit may be issued no earlier than 30 days following the last public meeting.

(b) The commissioner must deny an application for a permit subject to this section for a facility in an environmental justice area if the commissioner finds that issuing the permit in combination with the environmental stressors present in the environmental justice area would contribute to adverse cumulative environmental stressors in the environmental justice area, unless:

(1) the commissioner enters into a community benefit agreement with the facility owner or operator, in consultation with community-based organizations representing the interests of residents of the environmental justice area; and

(2) there is a compelling public interest to issue the permit, as determined by the commissioner, based on criteria established in rules adopted under subdivision 5.

(c) If the commissioner determines that a compelling public interest exists and the commissioner enters into a community benefit agreement with the facility owner or operator, the commissioner may grant a permit that imposes conditions on the construction and operation of the facility to protect public health and the environment.

(d) Issuance of a permit under this section must include a requirement that the facility provide information to the community describing the health risks that the facility poses.

(e) A community benefit agreement must be signed on or before the date a new permit or major source permit amendment is issued in an environmental justice area.

(f) The commissioner must publish and maintain on the agency website a list of environmental justice areas in the state.

Subd. 5. **Rulemaking.** (a) The commissioner must adopt rules under chapter 14 to implement and govern the cumulative impacts analysis and issuance or denial of permits for facilities that impact environmental justice areas as provided in this section. Notwithstanding section 14.125, the agency must publish notice of intent to adopt rules within 36 months of the effective date of this section, or the authority for the rules expires.

(b) During the rulemaking process, the Pollution Control Agency must engage in robust public engagement, including public meetings, and Tribal consultation.

(c) Rules adopted under this section must:

(1) define conditions, criteria, or circumstances that qualify as a compelling public interest, which:

(i) must consider whether the economic benefit considered will directly or substantially benefit residents of the affected environmental justice area;

(ii) must include noneconomic considerations; and

(iii) must take into account public comments made at public meetings held under subdivision 3;

(2) establish benchmarks to assist the commissioner's determination regarding the need for a cumulative impacts analysis;

(3) establish the content of a community benefit agreement and procedures for entering into community benefit agreements, which must include consultation with members of the public and community-based organizations or coalitions representing the interests of residents within the environmental justice area;

(4) establish a petition process and form submitted to the agency by environmental justice area residents to support the need for a cumulative impact analysis;

(5) establish and define criteria for requiring a cumulative impact analysis; and

(6) establish a process for conducting a cumulative impacts analysis.

(d) The agency must provide translation services and translated materials upon request during rulemaking meetings.

(e) The agency must use multiple communication methods to inform residents of environmental justice areas in the public meetings held for the rulemaking.

EFFECTIVE DATE. Subdivisions 1 and 5 are effective the day following final enactment. The remainder of this section is effective on January 1, 2027.

Sec. 56. Minnesota Statutes 2022, section 116.07, subdivision 6, is amended to read:

Subd. 6. **Pollution Control Agency; exercise of powers.** In exercising all its powers the Pollution Control Agency ~~shall give due consideration to~~ must:

(1) consider the establishment, maintenance, operation and expansion of business, commerce, trade, industry, traffic, and other economic factors and other material matters affecting the feasibility and practicability of any proposed action, including, but not limited to, the burden on a municipality of any tax which may result therefrom, and ~~shall~~ must take or provide for such action as may be reasonable, feasible, and practical under the circumstances; and

(2) to the extent reasonable, feasible, and practical under the circumstances:

(i) ensure that actions or programs that have a direct, indirect, or cumulative impact on environmental justice areas incorporate community-focused practices and procedures in agency processes, including communication, outreach, engagement, and education to enhance meaningful, timely, and transparent community access;

(ii) collaborate with other state agencies to identify, develop, and implement means to eliminate and reverse environmental and health inequities and disparities;

(iii) promote the utility and availability of environmental data and analysis for environmental justice areas, other agencies, federally recognized Tribal governments, and the public;

(iv) encourage coordination and collaboration with residents of environmental justice areas to address environmental and health inequities and disparities; and

(v) ensure environmental justice values are represented to the agency from a commissioner-appointed environmental justice advisory committee that is composed of diverse members and that is developed and operated in a manner open to the public and in accordance with the duties described in the bylaws and charter adopted and maintained by the commissioner.

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

Sec. 57. [116.943] PRODUCTS CONTAINING PFAS.

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

(b) "Adult mattress" means a mattress other than a crib mattress or toddler mattress.

(c) "Air care product" means a chemically formulated consumer product labeled to indicate that the purpose of the product is to enhance or condition the indoor environment by eliminating odors or freshening the air.

(d) "Automotive maintenance product" means a chemically formulated consumer product labeled to indicate that the purpose of the product is to maintain the appearance of a motor vehicle, including products for washing, waxing, polishing, cleaning, or treating the exterior or interior surfaces of motor vehicles. Automotive maintenance product does not include automotive paint or paint repair products.

(e) "Carpet or rug" means a fabric marketed or intended for use as a floor covering.

(f) "Cleaning product" means a finished product used primarily for domestic, commercial, or institutional cleaning purposes, including but not limited to an air care product, an automotive maintenance product, a general cleaning product, or a polish or floor maintenance product.

(g) "Commissioner" means the commissioner of the Pollution Control Agency.

(h) "Cookware" means durable houseware items used to prepare, dispense, or store food, foodstuffs, or beverages. Cookware includes but is not limited to pots, pans, skillets, grills, baking sheets, baking molds, trays, bowls, and cooking utensils.

(i) "Cosmetic" means articles, excluding soap:

(1) intended to be rubbed, poured, sprinkled, or sprayed on, introduced into, or otherwise applied to the human body or any part thereof for the purpose of cleansing, beautifying, promoting attractiveness, or altering the appearance; and

(2) intended for use as a component of any such article.

(j) "Currently unavoidable use" means a use of PFAS that the commissioner has determined by rule under this section to be essential for health, safety, or the functioning of society and for which alternatives are not reasonably available.

(k) "Fabric treatment" means a substance applied to fabric to give the fabric one or more characteristics, including but not limited to stain resistance or water resistance.

(l) "Intentionally added" means PFAS deliberately added during the manufacture of a product where the continued presence of PFAS is desired in the final product or one of the product's components to perform a specific function.

(m) "Juvenile product" means a product designed or marketed for use by infants and children under 12 years of age:

(1) including but not limited to a baby or toddler foam pillow; bassinet; bedside sleeper; booster seat; changing pad; child restraint system for use in motor vehicles and aircraft; co-sleeper; crib mattress; highchair; highchair pad; infant bouncer; infant carrier; infant seat; infant sleep positioner; infant swing; infant travel bed; infant walker; nap cot; nursing pad; nursing pillow; play mat; playpen; play yard; polyurethane foam mat, pad, or pillow; portable foam nap mat; portable infant sleeper; portable hook-on chair; soft-sided portable crib; stroller; and toddler mattress; and

(2) not including a children's electronic product such as a personal computer, audio and video equipment, calculator, wireless phone, game console, handheld device incorporating a video screen, or any associated peripheral such as a mouse, keyboard, power supply unit, or power cord; or an adult mattress.

(n) "Manufacturer" means the person that creates or produces a product or whose brand name is affixed to the product. In the case of a product imported into the United States, manufacturer includes the importer or first domestic distributor of the product if the person that manufactured or assembled the product or whose brand name is affixed to the product does not have a presence in the United States.

(o) "Medical device" has the meaning given "device" under United States Code, title 21, section 321, subsection (h).

(p) "Perfluoroalkyl and polyfluoroalkyl substances" or "PFAS" means a class of fluorinated organic chemicals containing at least one fully fluorinated carbon atom.

(q) "Product" means an item manufactured, assembled, packaged, or otherwise prepared for sale to consumers, including but not limited to its product components, sold or distributed for personal, residential, commercial, or industrial use, including for use in making other products.

(r) "Product component" means an identifiable component of a product, regardless of whether the manufacturer of the product is the manufacturer of the component.

(s) "Ski wax" means a lubricant applied to the bottom of snow runners, including but not limited to skis and snowboards, to improve their grip or glide properties. Ski wax includes related tuning products.

(t) "Textile" means an item made in whole or part from a natural or synthetic fiber, yarn, or fabric. Textile includes but is not limited to leather, cotton, silk, jute, hemp, wool, viscose, nylon, and polyester.

(u) "Textile furnishings" means textile goods of a type customarily used in households and businesses, including but not limited to draperies, floor coverings, furnishings, bedding, towels, and tablecloths.

(v) "Upholstered furniture" means an article of furniture that is designed to be used for sitting, resting, or reclining and that is wholly or partly stuffed or filled with any filling material.

Subd. 2. **Information required.** (a) On or before January 1, 2026, a manufacturer of a product sold, offered for sale, or distributed in the state that contains intentionally added PFAS must submit to the commissioner information that includes:

(1) a brief description of the product, including a universal product code (UPC), stock keeping unit (SKU), or other numeric code assigned to the product;

(2) the purpose for which PFAS are used in the product, including in any product components;

(3) the amount of each PFAS, identified by its chemical abstracts service registry number, in the product, reported as an exact quantity determined using commercially available analytical methods or as falling within a range approved for reporting purposes by the commissioner;

(4) the name and address of the manufacturer and the name, address, and phone number of a contact person for the manufacturer; and

(5) any additional information requested by the commissioner as necessary to implement the requirements of this section.

(b) With the approval of the commissioner, a manufacturer may supply the information required in paragraph (a) for a category or type of product rather than for each individual product.

(c) A manufacturer must submit the information required under this subdivision whenever a new product that contains intentionally added PFAS is sold, offered for sale, or distributed in the state and update and revise the information whenever there is significant change in the information or when requested to do so by the commissioner.

(d) A person may not sell, offer for sale, or distribute for sale in the state a product containing intentionally added PFAS if the manufacturer has failed to provide the information required under this subdivision and the person has received notification under subdivision 4.

Subd. 3. **Information requirement waivers; extensions.** (a) The commissioner may waive all or part of the information requirement under subdivision 2 if the commissioner determines that substantially equivalent information is already publicly available. The commissioner may grant a waiver under this paragraph to a manufacturer or a group of manufacturers for multiple products or a product category.

(b) The commissioner may enter into an agreement with one or more other states or political subdivisions of a state to collect information and may accept information to a shared system as meeting the information requirement under subdivision 2.

(c) The commissioner may extend the deadline for submission by a manufacturer of the information required under subdivision 2 if the commissioner determines that more time is needed by the manufacturer to comply with the submission requirement.

Subd. 4. **Testing required and certificate of compliance.** (a) If the commissioner has reason to believe that a product contains intentionally added PFAS and the product is being offered for sale in the state, the commissioner may direct the manufacturer of the product to, within 30 days, provide the commissioner with testing results that demonstrate the amount of each of the PFAS, identified by its chemical abstracts service registry number, in the product, reported as an exact quantity determined using commercially available analytical methods or as falling within a range approved for reporting purposes by the commissioner.

(b) If testing demonstrates that the product does not contain intentionally added PFAS, the manufacturer must provide the commissioner a certificate attesting that the product does not contain intentionally added PFAS, including testing results and any other relevant information.

(c) If testing demonstrates that the product contains intentionally added PFAS, the manufacturer must provide the commissioner with the testing results and the information required under subdivision 2.

(d) A manufacturer must notify persons who sell or offer for sale a product prohibited under subdivision 2 or 5 that the sale of that product is prohibited in this state and provide the commissioner with a list of the names and addresses of those notified.

(e) The commissioner may notify persons who sell or offer for sale a product prohibited under subdivision 2 or 5 that the sale of that product is prohibited in this state.

Subd. 5. **Prohibitions.** (a) Beginning January 1, 2025, a person may not sell, offer for sale, or distribute for sale in this state the following products if the product contains intentionally added PFAS:

(1) carpets or rugs;

(2) cleaning products;

(3) cookware;

(4) cosmetics;

(5) dental floss;

- (6) fabric treatments;
- (7) juvenile products;
- (8) menstruation products;
- (9) textile furnishings;
- (10) ski wax; or
- (11) upholstered furniture.

(b) The commissioner may by rule identify additional products by category or use that may not be sold, offered for sale, or distributed for sale in this state if they contain intentionally added PFAS and designate effective dates. A prohibition adopted under this paragraph must be effective no earlier than January 1, 2025, and no later than January 1, 2032. The commissioner must prioritize the prohibition of the sale of product categories that, in the commissioner's judgment, are most likely to contaminate or harm the state's environment and natural resources if they contain intentionally added PFAS.

(c) Beginning January 1, 2032, a person may not sell, offer for sale, or distribute for sale in this state any product that contains intentionally added PFAS, unless the commissioner has determined by rule that the use of PFAS in the product is a currently unavoidable use. The commissioner may specify specific products or product categories for which the commissioner has determined the use of PFAS is a currently unavoidable use. The commissioner may not determine that the use of PFAS in a product is a currently unavoidable use if the product is listed in paragraph (a).

Subd. 6. **Fees.** The commissioner may establish by rule a fee payable by a manufacturer to the commissioner upon submission of the information required under subdivision 2 to cover the agency's reasonable costs to implement this section. Fees collected under this subdivision must be deposited in an account in the environmental fund.

Subd. 7. **Enforcement.** (a) The commissioner may enforce this section under sections 115.071 and 116.072. The commissioner may coordinate with the commissioners of commerce and health in enforcing this section.

(b) When requested by the commissioner, a person must furnish to the commissioner any information that the person may have or may reasonably obtain that is relevant to show compliance with this section.

Subd. 8. **Exemptions.** (a) This section does not apply to:

(1) a product for which federal law governs the presence of PFAS in the product in a manner that preempts state authority;

(2) a product regulated under section 325F.072 or 325F.075; or

(3) the sale or resale of a used product.

(b) Subdivisions 4 and 5 do not apply to a prosthetic or orthotic device, or to any product that is a medical device or drug or that is otherwise used in a medical setting or in medical applications regulated by the United States Food and Drug Administration.

Subd. 9. **Rules.** The commissioner may adopt rules necessary to implement this section. Section 14.125 does not apply to the commissioner's rulemaking authority under this section.

Sec. 58. Minnesota Statutes 2022, section 171.07, is amended by adding a subdivision to read:

Subd. 20. **Watercraft operator's permit.** (a) The department must maintain in its records information transmitted electronically from the commissioner of natural resources identifying each person to whom the commissioner has issued a watercraft operator's permit. The records transmitted from the Department of Natural Resources must contain the full name and date of birth as required for the driver's license or identification card. Records that are not matched to a driver's license or identification card record may be deleted after seven years.

(b) After receiving information under paragraph (a) that a person has received a watercraft operator's permit, the department must include on all drivers' licenses or Minnesota identification cards subsequently issued to the person a graphic or written indication that the person has received the permit.

(c) If a person who has received a watercraft operator's permit applies for a driver's license or Minnesota identification card before that information has been transmitted to the department, the department may accept a copy of the certificate as proof of its issuance and must then follow the procedures in paragraph (b).

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

Sec. 59. Minnesota Statutes 2022, section 297A.94, is amended to read:

297A.94 DEPOSIT OF REVENUES.

(a) Except as provided in this section, the commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed by this chapter in the state treasury and credit them to the general fund.

(b) The commissioner shall deposit taxes in the Minnesota agricultural and economic account in the special revenue fund if:

(1) the taxes are derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project; and

(2) the purchase was made on or after the date on which a conditional commitment was made for a loan guaranty for the project under section 41A.04, subdivision 3.

The commissioner of management and budget shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty account must be reduced by any refunds and by the costs incurred by the Department of Revenue to administer and enforce the assessment and collection of the taxes.

(c) The commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed on sales and purchases included in section 297A.61, subdivision 3, paragraph (g), clauses (1) and (4), in the state treasury, and credit them as follows:

(1) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 16A.661, subdivision 3, paragraph (b); and

(2) after the requirements of clause (1) have been met, the balance to the general fund.

(d) Beginning with sales taxes remitted after July 1, 2017, the commissioner shall deposit in the state treasury the revenues collected under section 297A.64, subdivision 1, including interest and penalties and minus refunds, and credit them to the highway user tax distribution fund.

(e) The commissioner shall deposit the revenues, including interest and penalties, collected under section 297A.64, subdivision 5, in the state treasury and credit them to the general fund. By July 15 of each year the commissioner shall transfer to the highway user tax distribution fund an amount equal to the excess fees collected under section 297A.64, subdivision 5, for the previous calendar year.

(f) Beginning with sales taxes remitted after July 1, 2017, in conjunction with the deposit of revenues under paragraph (d), the commissioner shall deposit into the state treasury and credit to the highway user tax distribution fund an amount equal to the estimated revenues derived from the tax rate imposed under section 297A.62, subdivision 1, on the lease or rental for not more than 28 days of rental motor vehicles subject to section 297A.64. The commissioner shall estimate the amount of sales tax revenue deposited under this paragraph based on the amount of revenue deposited under paragraph (d).

(g) The commissioner shall deposit an amount of the remittances monthly into the state treasury and credit them to the highway user tax distribution fund as a portion of the estimated amount of taxes collected from the sale and purchase of motor vehicle repair and replacement parts in that month. The monthly deposit amount is \$12,137,000. For purposes of this paragraph, "motor vehicle" has the meaning given in section 297B.01, subdivision 11, and "motor vehicle repair and replacement parts" includes (i) all parts, tires, accessories, and equipment incorporated into or affixed to the motor vehicle as part of the motor vehicle maintenance and repair, and (ii) paint, oil, and other fluids that remain on or in the motor vehicle as part of the motor vehicle maintenance or repair. For purposes of this paragraph, "tire" means any tire of the type used on highway vehicles, if wholly or partially made of rubber and if marked according to federal regulations for highway use.

(h) ~~72.43~~ Eighty-two percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65, must be deposited by the commissioner in the state treasury as follows:

(1) 50 percent of the receipts must be deposited in the heritage enhancement account in the game and fish fund, and may be spent only on activities that improve, enhance, or protect fish and wildlife resources, including conservation, restoration, and enhancement of land, water, and other natural resources of the state;

(2) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only for state parks and trails;

(3) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only on metropolitan park and trail grants;

(4) three percent of the receipts must be deposited in the natural resources fund, and may be spent only on local trail grants; and

(5) two percent of the receipts must be deposited in the natural resources fund, and may be spent only for the Minnesota Zoological Garden, the Como Park Zoo and Conservatory, and the Duluth Zoo.

(i) Two percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65 must be deposited in a regional parks and trails account in the natural resources fund and may only be spent for parks and trails of regional significance outside of the seven-county metropolitan area under section 85.535, based on recommendations from the Greater Minnesota Regional Parks and Trails Commission under section 85.536.

(j) One percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65 must be deposited in an outdoor recreational opportunities for underserved communities account in the natural resources fund and may only be spent on projects and activities that connect diverse and underserved Minnesotans through expanding cultural environmental experiences, exploration of their environment, and outdoor recreational activities.

~~(k)~~ (k) The revenue dedicated under paragraph (h) may not be used as a substitute for traditional sources of funding for the purposes specified, but the dedicated revenue shall supplement traditional sources of funding for those purposes. Land acquired with money deposited in the game and fish fund under paragraph (h) must be open to public hunting and fishing during the open season, except that in aquatic management areas or on lands where angling easements have been acquired, fishing may be prohibited during certain times of the year and hunting may be prohibited. At least 87 percent of the money deposited in the game and fish fund for improvement, enhancement, or protection of fish and wildlife resources under paragraph (h) must be allocated for field operations.

~~(l)~~ (l) The commissioner must deposit the revenues, including interest and penalties minus any refunds, derived from the sale of items regulated under section 624.20, subdivision 1, that may be sold to persons 18 years old or older and that are not prohibited from use by the general public under section 624.21, in the state treasury and credit:

- (1) 25 percent to the volunteer fire assistance grant account established under section 88.068;
- (2) 25 percent to the fire safety account established under section 297I.06, subdivision 3; and
- (3) the remainder to the general fund.

For purposes of this paragraph, the percentage of total sales and use tax revenue derived from the sale of items regulated under section 624.20, subdivision 1, that are allowed to be sold to persons 18 years old or older and are not prohibited from use by the general public under section 624.21, is a set percentage of the total sales and use tax revenues collected in the state, with the percentage determined under Laws 2017, First Special Session chapter 1, article 3, section 39.

~~(k)~~ (m) The revenues deposited under paragraphs (a) to ~~(j)~~ (l) do not include the revenues, including interest and penalties, generated by the sales tax imposed under section 297A.62, subdivision 1a, which must be deposited as provided under the Minnesota Constitution, article XI, section 15.

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

Sec. 60. [325E.3892] LEAD AND CADMIUM IN CONSUMER PRODUCTS; PROHIBITION.

Subdivision 1. Definitions. For purposes of this section, "covered product" means any of the following products or product components:

- (1) jewelry;
- (2) toys;
- (3) cosmetics and personal care products;
- (4) puzzles, board games, card games, and similar games;
- (5) play sets and play structures;
- (6) outdoor games;
- (7) school supplies;
- (8) pots and pans;
- (9) cups, bowls, and other food containers;
- (10) craft supplies and jewelry-making supplies;
- (11) chalk, crayons, paints, and other art supplies;
- (12) fidget spinners;
- (13) costumes, costume accessories, and children's and seasonal party supplies;
- (14) keys, key chains, and key rings; and
- (15) clothing, footwear, headwear, and accessories.

Subd. 2. Prohibition. (a) A person must not import, manufacture, sell, hold for sale, or distribute or offer for use in this state any covered product containing:

- (1) lead at more than 0.009 percent by total weight (90 parts per million); or
- (2) cadmium at more than 0.0075 percent by total weight (75 parts per million).

(b) This section does not apply to covered products containing lead or cadmium, or both, when regulation is preempted by federal law.

Subd. 3. **Enforcement.** The commissioners of the Pollution Control Agency, commerce, and health may coordinate to enforce this section. The commissioner of the Pollution Control Agency or commerce may, with the attorney general, enforce any federal restrictions on the sale of products containing lead or cadmium, or both, as allowed under federal law. The commissioner of the Pollution Control Agency may enforce this section under sections 115.071 and 116.072. The commissioner of commerce may enforce this section under sections 45.027, subdivisions 1 to 6; 325F.10 to 325F.12; and 325F.14 to 325F.16. The attorney general may enforce this section under section 8.31.

Sec. 61. Minnesota Statutes 2022, section 325F.072, subdivision 1, is amended to read:

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

(b) "Class B firefighting foam" means foam designed ~~for flammable liquid fires to prevent or extinguish a fire in flammable liquids, combustible liquids, petroleum greases, tars, oils, oil-based paints, solvents, lacquers, alcohols, and flammable gases.~~

(c) "PFAS chemicals" or "perfluoroalkyl and polyfluoroalkyl substances" means, ~~for the purposes of firefighting agents,~~ a class of fluorinated organic chemicals containing at least one fully fluorinated carbon atom ~~and designed to be fully functional in class B firefighting foam formulations.~~

(d) "Political subdivision" means a county, city, town, or a metropolitan airports commission organized and existing under sections 473.601 to 473.679.

(e) "State agency" means an agency as defined in section 16B.01, subdivision 2.

(f) "Testing" means calibration testing, conformance testing, and fixed system testing.

Sec. 62. Minnesota Statutes 2022, section 325F.072, subdivision 3, is amended to read:

~~Subd. 3. **Prohibition of testing and training.** (a) Beginning July 1, 2020, No person, political subdivision, or state agency shall discharge class B firefighting foam that contains intentionally added manufacture or knowingly sell, offer for sale, distribute for sale, or distribute for use in this state, and no person shall use in this state, class B firefighting foam containing PFAS chemicals.~~

~~(1) for testing purposes, unless the testing facility has implemented appropriate containment, treatment, and disposal measures to prevent releases of foam to the environment; or~~

~~(2) for training purposes, unless otherwise required by law, and with the condition that the training event has implemented appropriate containment, treatment, and disposal measures to prevent releases of foam to the environment. For training purposes, class B foam that contains intentionally added PFAS chemicals shall not be used.~~

~~(b) This section does not restrict:~~

~~(1) the manufacture, sale, or distribution of class B firefighting foam that contains intentionally added PFAS chemicals; or~~

~~(2) the discharge or other use of class B firefighting foams that contain intentionally added PFAS chemicals in emergency firefighting or fire prevention operations.~~

(b) This subdivision does not apply to the manufacture, sale, distribution, or use of class B firefighting foam for which the inclusion of PFAS chemicals is required by federal law, including but not limited to Code of Federal Regulations, title 14, section 139.317. If a federal requirement to include PFAS chemicals in class B firefighting foam is revoked after January 1, 2024, class B firefighting foam subject to the revoked requirements is no longer exempt under this paragraph effective one year after the day of revocation.

(c) This subdivision does not apply to the manufacture, sale, distribution, or use of class B firefighting foam for purposes of use at an airport, as defined under section 360.013, subdivision 39, until the state fire marshal makes a determination that:

(1) the Federal Aviation Administration has provided policy guidance on the transition to fluorine-free firefighting foam;

(2) a fluorine-free firefighting foam product is included in the Federal Aviation Administration's Qualified Product Database; and

(3) a firefighting foam product included in the database under clause (2) is commercially available in quantities sufficient to reliably meet the requirements under Code of Federal Regulations, title 14, part 139.

(d) Until the state fire marshal makes a determination under paragraph (c), the operator of an airport using class B firefighting foam containing PFAS chemicals must, on or before December 31 each calendar year, submit a report to the state fire marshal regarding the status of the airport's conversion to class B firefighting foam products without intentionally added PFAS, the disposal of class B firefighting foam products with intentionally added PFAS, and an assessment of the factors listed in paragraph (c) as applied to the airport.

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

Sec. 63. Minnesota Statutes 2022, section 325F.072, is amended by adding a subdivision to read:

Subd. 3a. **Discharge for testing and training.** A person, political subdivision, or state agency exempted from the prohibitions under subdivision 3 may not discharge class B firefighting foam that contains intentionally added PFAS chemicals for:

(1) testing purposes, unless the testing facility has implemented appropriate containment, treatment, and disposal measures to prevent releases of foam to the environment; or

(2) training purposes, unless otherwise required by law, and with the condition that the training event has implemented appropriate containment, treatment, and disposal measures to prevent releases of foam to the environment.

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

Sec. 64. **50-YEAR CLEAN WATER PLAN SCOPE OF WORK.**

(a) The University of Minnesota Water Council is requested to develop a scope of work, timeline, and budget for a plan to promote and protect clean water in Minnesota for the next 50 years. The 50-year clean water plan must:

(1) provide a literature-based assessment of the current status and trends regarding the quality and quantity of all Minnesota waters, both surface and subsurface;

(2) identify gaps in the data or understanding and provide recommended action steps to address gaps;

(3) identify existing and potential future threats to Minnesota's waters; and

(4) propose a road map of scenarios and policy recommendations to allow the state to proactively protect, remediate, and conserve clean water for human use and biodiversity for the next 50 years.

(b) The scope of work must outline the steps and resources necessary to develop the plan, including but not limited to:

(1) the data sets that are required and how the University of Minnesota will obtain access;

(2) the suite of proposed analysis methods;

(3) the roles and responsibilities of project leaders, key personnel, and stakeholders;

(4) the project timeline with milestones; and

(5) a budget with expected costs for tasks and milestones.

(c) By December 1, 2023, the Board of Regents of the University of Minnesota is requested to submit the scope of work to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources.

Sec. 65. REPORT REQUIRED; RECYCLING AND REUSING SOLAR PHOTOVOLTAIC MODULES AND INSTALLATION COMPONENTS.

(a) The commissioner of the Pollution Control Agency, in consultation with the commissioners of commerce and employment and economic development, must coordinate preparation of a report on developing a statewide system to reuse and recycle solar photovoltaic modules and installation components in the state.

(b) The report must include options for a system to collect, reuse, and recycle solar photovoltaic modules and installation components at end of life. Any system option included in the report must be convenient and accessible throughout the state, recover 100 percent of discarded components, and maximize value and materials recovery. Any system option developed must include analysis of:

(1) the reuse and recycling values of solar photovoltaic modules, installation components, and recovered materials;

(2) system infrastructure and technology needs;

(3) how to maximize in-state employment and economic development;

(4) net costs for the program; and

(5) potential benefits and negative impacts of the plan on environmental justice and Tribal communities.

(c) The report must include a survey of solar photovoltaic modules and installation components that are currently coming out of service and those projected to come out of service in the future in Minnesota. The report must include a description of how solar photovoltaic modules and installation components are currently being managed at end of life and how they would likely be managed in the future without the proposed reuse and recycling system.

(d) After completing the report, the commissioner must convene a working group to advise on developing policy recommendations for a statewide system to manage solar photovoltaic modules and installation components. The working group must include but is not limited to:

(1) the commissioners of commerce and employment and economic development or their designees;

(2) representatives of the solar industry and electric utilities;

(3) representatives of state, local, and Tribal governments; and

(4) other relevant stakeholders.

(e) By January 15, 2025, the commissioner must submit the report and the policy recommendations developed under this section to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over environment and natural resources policy and finance and energy policy and finance.

Sec. 66. STATUTORY AND RULE REVISIONS TO PREVENT FISH KILLS IN DRIFTLESS AREA.

By January 15, 2024, the commissioners of agriculture, health, and natural resources and the commissioner of the Pollution Control Agency must make recommendations to the legislature for statutes and rules that should be amended to prevent fish kills within the boundaries of the Department of Natural Resources Paleozoic Plateau ecological section.

Sec. 67. TEMPORARY EXEMPTION FOR TERMINALS AND OIL REFINERIES.

Subdivision 1. **Temporary exemption.** Minnesota Statutes, section 325F.072, subdivision 3, does not apply to the manufacture, sale, distribution, or use of class B firefighting foam for the purposes of use at a terminal or oil refinery until January 1, 2026.

Subd. 2. **Extension; waiver.** (a) A person who operates a terminal or oil refinery may apply to the state fire marshal for a waiver to extend the exemption under subdivision 1 beyond January 1, 2026, as provided in this subdivision.

(b) The state fire marshal may grant a waiver to extend the exemption under subdivision 1 for a specific use if the applicant provides all of the following:

(1) clear and convincing evidence that there is no commercially available replacement that does not contain intentionally added PFAS chemicals and that is capable of suppressing fire for that specific use;

(2) information on the amount of firefighting foam containing intentionally added PFAS chemicals stored, used, or released on-site on an annual basis;

(3) a detailed plan, with timelines, for the operator of the terminal or oil refinery to transition to firefighting foam that does not contain intentionally added PFAS chemicals for that specific use; and

(4) a plan for meeting the requirements under subdivision 3.

(c) The state fire marshal must ensure there is an opportunity for public comment during the waiver process. The state fire marshal must consider both information provided by the applicant and information provided through public comment when making a decision on whether to grant a waiver. The term of a waiver must not exceed two years. The state fire marshal must not grant a waiver for a specific use if any other terminal or oil refinery is known to have transitioned to commercially available class B firefighting foam that does not contain intentionally added PFAS chemicals for that specific use. All waivers must expire by January 1, 2028. A person that anticipates applying for a waiver for a terminal or oil refinery must submit a notice of intent to the state fire marshal by January 1, 2025, in order to be considered for a waiver beyond January 1, 2026. The state fire marshal must notify the waiver applicant of a decision within six months of the waiver submission date.

(d) The state fire marshal must provide an applicant for a waiver under this subdivision an opportunity to:

(1) correct deficiencies when applying for a waiver; and

(2) provide evidence to dispute a determination that another terminal or oil refinery is known to have transitioned to commercially available class B firefighting foam that does not contain intentionally added PFAS chemicals for that specific use, including evidence that the specific use is different.

Subd. 3. Use requirements. (a) A person that uses class B firefighting foam containing intentionally added PFAS chemicals under this section must:

(1) implement tactics that have been demonstrated to prevent release directly to the environment, such as to unsealed ground, soakage pits, waterways, or uncontrolled drains;

(2) attempt to fully contain all firefighting foams with PFAS on-site using demonstrated practices designed to contain all PFAS releases;

(3) implement containment measures such as bunds and ponds that are controlled, are impervious to PFAS chemicals, and do not allow fire water, wastewater, runoff, and other wastes to be released to the environment, such as to soils, groundwater, waterways, or stormwater; and

(4) dispose of all fire water, wastewater, runoff, impacted soils, and other wastes in a way that prevents releases to the environment.

(b) A terminal or oil refinery that has received a waiver under this section may provide and use class B firefighting foam containing intentionally added PFAS chemicals in the form of mutual aid to another terminal or oil refinery at the request of authorities only if the other terminal or oil refinery also has a waiver.

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

Sec. 68. **TRANSFER OF DUTIES; FARMED WHITE-TAILED DEER.**

(a) Responsibility for administering and enforcing the statutes and rules listed in clauses (1) and (2) for farmed white-tailed deer are, except as provided in paragraph (c), transferred pursuant to Minnesota Statutes, section 15.039, from the Board of Animal Health to the commissioner of natural resources:

(1) Minnesota Statutes, sections 35.153 to 35.156; and

(2) Minnesota Rules, parts 1721.0370 to 1721.0420.

(b) The Board of Animal Health retains responsibility for administering and enforcing the statutes and rules listed in paragraph (a), clauses (1) and (2), for all other farmed Cervidae.

(c) Notwithstanding Minnesota Statutes, section 15.039, subdivision 7, the transfer of personnel will not take place. The commissioner of natural resources may contract with the Board of Animal Health for any veterinary services required to administer this program.

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

Sec. 69. **TURTLE SELLER'S LICENSES; TRANSFER AND RENEWAL.**

The commissioner of natural resources must not renew or transfer a turtle seller's license after the effective date of this section.

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

Sec. 70. **UPPER SIOUX AGENCY STATE PARK; LAND TRANSFER.**

(a) The commissioner of natural resources must convey for no consideration all state-owned land within the boundaries of Upper Sioux Agency State Park to the Upper Sioux Community. By September 15, 2023, the commissioner must identify all state-owned land within Upper Sioux Agency State Park and any funding restrictions or other legal barriers to conveying the land. Lands without restrictions or barriers to being conveyed must be conveyed to the Upper Sioux Community by December 1, 2023.

(b) By December 15, 2023, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over environment and natural resources that identifies all barriers to conveying land within Upper Sioux Agency State Park and recommendations for addressing those barriers, including any legislation needed to eliminate those barriers.

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

Sec. 71. WHITE BEAR LAKE AREA WATER-USE STAKEHOLDER GROUP.

The commissioner of natural resources must convene a group of stakeholders to advise the commissioner and the legislature on options for ensuring communities in the White Bear Lake area have access to sufficient safe drinking water to allow for municipal growth while simultaneously ensuring the sustainability of surface water and groundwater sources to supply the needs of future generations. By March 1, 2024, the commissioner must report any recommendations of the stakeholder group to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources.

Sec. 72. REVISOR INSTRUCTION.

The revisor of statutes must recodify the relevant sections in Minnesota Statutes, chapter 35, and Minnesota Rules, chapter 1721, as necessary to conform with section 68. The revisor must also change the responsible agency, remove obsolete language, and make necessary cross-reference changes consistent with section 68 and the renumbering.

Sec. 73. REPEALER.

(a) Minnesota Statutes 2022, sections 103C.501, subdivisions 2 and 3; 115.44, subdivision 9; 116.011; 325E.389; and 325E.3891, are repealed.

(b) Minnesota Rules, parts 8400.0500; 8400.0550; 8400.0600, subparts 4 and 5; 8400.0900, subparts 1, 2, 4, and 5; 8400.1650; 8400.1700; 8400.1750; 8400.1800; and 8400.1900, are repealed.

(c) Minnesota Statutes 2022, sections 35.155, subdivision 14; 86B.101; 86B.305; and 86B.313, subdivisions 2 and 3, are repealed.

(d) Minnesota Statutes 2022, section 97C.605, subdivisions 2, 2a, 2b, and 5, are repealed.

(e) Minnesota Rules, part 6256.0500, subparts 2, 2a, 2b, 4, 5, 6, 7, and 8, are repealed.

EFFECTIVE DATE. Paragraph (c) is effective July 1, 2025. Paragraphs (d) and (e) are effective January 1, 2024.

ARTICLE 5

STATE LANDS

Section 1. Minnesota Statutes 2022, section 84.66, subdivision 7, is amended to read:

Subd. 7. **Landowner responsibilities.** The commissioner may enroll eligible land in the program by signing an easement in recordable form with a landowner in which the landowner agrees to:

(1) convey to the state a permanent easement that is not subject to any prior title, lien, or encumbrance, except for preexisting easements that are acceptable to the commissioner; and

(2) manage the land in a manner consistent with the purposes for which the land was selected for the program and not convert the land to other uses.

Sec. 2. Laws 2023, chapter 9, section 19, is amended to read:

Sec. 19. LAND EXCHANGE; ST. LOUIS COUNTY.

Subdivision 1. **Authority.** (a) Notwithstanding Minnesota Statutes, section 92.461, and the riparian restrictions in Minnesota Statutes, section 94.342, subdivision 3, St. Louis County may, with the approval of the Land Exchange Board as required under the Minnesota Constitution, article XI, section 10, and according to the remaining provisions of Minnesota Statutes, sections 94.342 to 94.347, exchange the land described in paragraph (c).

(b) The conveyance must be in the form approved by the attorney general. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The lands that may be conveyed are located in St. Louis County and are described as:

(1) Sections 1 and 2, Township 53 North, Range 18 West;

(2) Sections 19, 20, 29, 30, 31, and 32, Township 54 North, Range 17 West;

(3) Sections 24, 25, 26, and 35, Township 54 North, Range 18 West;

(4) Sections 22, 23, 26, and 27, Township 54 North, Range 19 West; and

(5) Sections 8, 9, 17, and 18, Township 55 North, Range 18 West.

Subd. 2. **Exchange for greater than substantially equal value.** Notwithstanding Minnesota Statutes, section 94.344, subdivisions 3 and 5, or any other law to the contrary, the county may require the exchange partner to exchange lands or a combination of lands and money valued in the amount of at least 125 percent of the state land referenced in subdivision 1, paragraph (c), in determining whether the proposal is in the best interests of the state.

Sec. 3. ADDITIONS TO STATE PARKS.

Subdivision 1. **[85.012] [Subd. 21.] Frontenac State Park, Goodhue County.** The following area is added to Frontenac State Park, Goodhue County:

That part of the Southeast Quarter of Section 10, Township 112 North, Range 13 West, and that part of the Southwest Quarter of Section 11, Township 112 North, Range 13 West, Goodhue County, Minnesota, described as follows: Commencing at the northeast corner of the Southeast Quarter of said Section 10; thence southerly on an assumed azimuth from North of 189 degrees 34 minutes 33 seconds, along the east line of the Southeast Quarter of said Section 10, a distance

of 1,100.31 feet; thence westerly 269 degrees 34 minutes 33 seconds azimuth, a distance of 80.53 feet to the point of beginning of the land to be described; thence northerly 340 degrees 42 minutes 19 seconds azimuth, a distance of 300.00 feet; thence easterly 100 degrees 22 minutes 46 seconds azimuth, a distance of 286.97 feet to the centerline of County Road Number 2, as now located and established; thence southerly and southwesterly, along said centerline, to the intersection with a line drawn southerly 160 degrees 42 minutes 19 seconds azimuth from the point of beginning; thence northerly 340 degrees 42 minutes 19 seconds azimuth, a distance of 51.66 feet to the point of beginning.

EXCEPT the following described premises:

Part of the Northeast Quarter of the Southeast Quarter of Section 10, Township 112 North, Range 13 West, Goodhue County, shown as Parcel 6 on the plat designated as Goodhue County Right-of-Way Plat No. 23 on file and of record in the Office of the County Recorder in and for Goodhue County, Minnesota.

ALSO EXCEPT the following:

Part of the Northwest Quarter of the Southwest Quarter of Section 11, Township 112 North, Range 13 West, Goodhue County, shown as Parcel 1 on the plat designated as Goodhue County Highway Right-Of-Way Plat No. 24 on file and of record in the Office of the County Recorder in and for Goodhue County, Minnesota.

Subd. 2. [85.012] [Subd. 60.] William O'Brien State Park, Washington County. The following area is added to William O'Brien State Park, Washington County:

The South Half of the Northwest Quarter, except the East 2 rods thereof, Section 25, Township 32, Range 20.

Sec. 4. **ADDITION TO STATE FOREST.**

[89.021] [Subd. 42a.] Riverlands State Forest. Those parts of St. Louis County described as follows are added to Riverlands State Forest:

That part of Government Lot 8, Section 30, Township 51 North, Range 19, St. Louis County, Minnesota, lying northwesterly of the railroad right-of-way.

Sec. 5. **PRIVATE SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; AITKIN COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by private sale the surplus land bordering public water that is described in paragraph (c).

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Aitkin County and is described as:

The West 16.25 feet of that part of the 32.50-foot-wide road, as delineated on the Plat of Sugar Lake Addition, according to the plat of record and on file in the Office of the County Recorder in and for Aitkin County, Minnesota lying northerly of the following described line: Commencing at the iron monument at the southwest corner of Section 2, Township 45, Range 25, said Aitkin County, Minnesota; thence North 0 degrees 00 minutes 23 seconds West, assumed bearing, 2,020.36 feet along the west line of said Section 2 to the point of beginning of the line to be described; thence North 89 degrees 59 minutes 37 seconds East 32.50 feet to the west line of Lot 1 said Sugar Lake Addition and said line there terminating.

(d) The land borders Sugar Lake. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land was returned to private ownership.

Sec. 6. PUBLIC SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; BECKER COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by public sale the surplus land bordering public water that is described in paragraph (c).

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Becker County and is described as:

All that part of Government Lot 2, Section 12, Township 139 North, Range 40 West of the 5th P.M., bounded by the water's edge of Cotton Lake and the following described lines: Commencing at the North quarter corner of said Section 12, from which the northwest corner of said section bears North 90 degrees 00 minutes West; thence South 00 degrees 00 minutes East, 325.0 feet; thence North 90 degrees 00 minutes East, 72.0 feet to the point of beginning and the centerline of County State-Aid Highway No. 29; thence South 25 degrees 52 minutes East, 222.27 feet along the centerline of said highway; thence North 90 degrees 00 minutes West, 284.0 feet, more or less, to the water's edge of Cotton Lake and there terminating; and from the point of beginning, North 90 degrees 00 minutes West, 249.1 feet, more or less, to the water's edge of Cotton Lake and there terminating.

(d) The land borders Cotton Lake and is not contiguous to other state lands. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land was returned to private ownership.

Sec. 7. PUBLIC SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; BECKER COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by public sale the surplus land bordering public water that is described in paragraph (c).

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Becker County and is described as:

Lot 1, Pearl Hill, according to the certified plat on file and of record in the Office of the Register of Deeds in and for Becker County, Minnesota, and being a part of Government Lots 2 and 3, Section 13, Township 138 North, Range 42 West.

(d) The land borders Pearl Lake and is not contiguous to other state lands. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land was returned to private ownership.

Sec. 8. PRIVATE SALE OF SURPLUS LAND BORDERING PUBLIC WATER; CROW WING COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by private sale the surplus land that is described in paragraph (c).

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be conveyed is located in Crow Wing County and is described as:

That part of Government Lot 2, Section 11, Township 44, Range 28, Crow Wing County, Minnesota, described as follows: Commencing at the southeast corner of said Government Lot 2; thence South 89 degrees 08 minutes 05 seconds West, assumed bearing along the south line of said Government Lot 2 a distance of 203.73 feet to the westerly right-of-way of State Highway No. 18; thence North 24 degrees 13 minutes 27 seconds West, along said westerly right-of-way 692.40 feet, to the point of beginning; thence continuing North 24 degrees 13 minutes 27 seconds West along said westerly right-of-way 70.31 feet; thence North 89 degrees 25 minutes 27 seconds West 90.00 feet; thence South 11 degrees 16 minutes 29 seconds East 87.00 feet; thence North 78 degrees 43 minutes 31 seconds East 103.84 feet to the point of beginning. Said parcel contains 0.17 acres of land, more or less, and is subject to existing easements of record.

(d) The tax parcel from which the land will be split borders Borden Lake, but the land to be sold does not border Borden Lake. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land were returned to private ownership.

Sec. 9. PRIVATE SALE OF TAX-FORFEITED LAND; ITASCA COUNTY.

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, Itasca County may sell by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in Itasca County and is described as: the Northwest Quarter of the Southeast Quarter, Section 25, Township 56, Range 25 (parcel identification number 02-025-4200).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 10. PUBLIC OR PRIVATE SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; KANDIYOHI COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by public or private sale the surplus land that is described in paragraph (c), subject to the state's reservation of a perpetual flowage easement.

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Kandiyohi County and is described as:

Lots 18 and 19 of First Addition to Walleye Beach, according to the plat thereof on file and of record in the Office of the Register of Deeds in and for Kandiyohi County, Minnesota.

(d) The land borders Florida Lake and is not contiguous to other state lands. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land was returned to private ownership.

Sec. 11. PRIVATE SALE OF TAX-FORFEITED LANDS; KOOCHICHING COUNTY.

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or any other law to the contrary, Koochiching County may sell by private sale the tax-forfeited lands described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in Koochiching County and is described as:

That part of Lot 53, Plat of Riverview Acres, according to the recorded plat thereof on file in the Office of the County Recorder, Koochiching County, Minnesota, lying northwesterly of the following described line: Commencing at the northwest corner of said Lot 53; thence South 89 degrees 59 minutes 47 seconds East 31.00 feet along the north line of said Lot 53 to the point of beginning of the line to be described; thence South 67 degrees 10 minutes 42 seconds West 33.51 feet to the west line of said Lot 53 and there terminating. Said parcel contains 200 square feet, more or less.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 12. PRIVATE SALE OF TAX-FORFEITED LANDS; ST. LOUIS COUNTY.

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in St. Louis County and is described as:

Lot 6, Block 12, Chambers First Division of Duluth (parcel number 010-0460-00660).

(d) The county has determined that the county's land management interests would best be served if the land was returned to private ownership to resolve a structure encroachment.

Sec. 13. PRIVATE SALE OF TAX-FORFEITED LANDS; ST. LOUIS COUNTY.

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in St. Louis County and is described as:

The West 3 feet of the North 20 feet of Lot 87, Block 75, Duluth Proper Third Division (parcel number 010-1310-01945).

(d) The county has determined that the county's land management interests would best be served if the land was returned to private ownership to resolve a structure encroachment.

Sec. 14. PRIVATE SALE OF TAX-FORFEITED LANDS; ST. LOUIS COUNTY.

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in St. Louis County and is described as:

Lot 90, except the North 100 feet and except the East Half of the South 50 feet of Lot 90 and except the West 6 feet of the South 50 feet of the West Half of Lot 90, Block 75, Duluth Proper Third Division (parcel number 010-1310-02125).

(d) The county has determined that the county's land management interests would best be served if the land was returned to private ownership to resolve a structure encroachment.

Sec. 15. PRIVATE SALE OF TAX-FORFEITED LANDS; ST. LOUIS COUNTY.

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in St. Louis County and is described as:

Block 11, Endion Park Division of Duluth (parcel number 010-1490-00860).

(d) The county has determined that the county's land management interests would best be served if the land was returned to private ownership to resolve a structure encroachment.

Sec. 16. **PRIVATE SALE OF TAX-FORFEITED LANDS; ST. LOUIS COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited lands described in paragraph (c).

(b) The conveyances must be in a form approved by the attorney general. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy.

(c) The lands to be sold are located in St. Louis County and are described as:

(1) Lots 52, 54, and 56, Fond Du Lac Fourth Street Duluth (parcel number 010-1620-01260);

(2) Lots 58 and 60, Fond Du Lac Fourth Street Duluth (parcel number 010-1620-01290);

(3) Lots 21 thru 39, odd numbers, and Lot 41 except the North 52 feet, and except the North 52 feet of Lots 43, 45, and 47, and Lots 49 and 51 except that part lying North of a line drawn from a point on the westerly line of Lot 49 and 52 feet South of the northwest corner to a point on the easterly line of Lot 51 38.1 feet South of the northeast corner, and all of Lots 53, 55, 57, and 59, and except that part of Lots 21 thru 39, odd numbered lots, lying 20 feet northerly and 20 feet southerly of a line beginning at a point on the west line of Lot 21 13.56 feet South of the northwest corner of Lot 21; thence to a point 54.83 feet South of the northeast corner along the east line of Lot 39, and except the southerly 46 feet of the northerly 98 feet of Lots 41, 43, and 45, and except that part of Lots 47 thru 57, odd numbered lots, described as beginning at a point on the west line of Lot 47 52 feet South of the northwest corner of Lot 47; thence easterly 40 feet to a point on the east line of Lot 47 52 feet South of the northeast corner of Lot 47; thence northeasterly 81.22 feet to a point on the east line of Lot 51 38.1 feet South of the northeast corner of Lot 51; thence North 17.3 feet to a point on the east line of Lot 51 20.8 feet South of the northeast corner of Lot 51; thence northeasterly 82.68 feet to the northwest corner of Lot 57; thence East 40 feet to the northeast corner of Lot 57; thence South 64.1 feet along the east line of Lot 57; thence southwesterly 242.22 feet to a point on the west line of Lot 47 98 feet South of the northwest corner of Lot 47; thence North 46 feet along the west line of Lot 47 to the point of beginning, and except Lot 59, and except that part of Lots 25, 27, 29, 31, 33, 35, 37, and 39 lying southerly of a line run parallel with and distant 20 feet southerly of the following described line: beginning at a point on the west line of Lot 21, distant 13.56 feet South of the northwest corner thereof; thence southeasterly to a point on the east line of

said Lot 39, distant 54.83 feet South of the northeast corner thereof and there terminating, Fond Du Lac Fourth Street Duluth (parcel number 010-1620-00290); and

(4) that part of Lots 21 thru 39, odd numbered lots, lying 20 feet northerly and 20 feet southerly of a line beginning at a point on the west line of Lot 21 13.56 feet South of the northwest corner of Lot 21; thence to a point 54.83 feet South of the northeast corner along the east line of Lot 39 and the southerly 46 feet of the northerly 98 feet of Lots 41, 43, and 45, and that part of Lots 47 thru 57, odd numbered lots, described as beginning at a point on the west line of Lot 47 52 feet South of the northwest corner of Lot 47; thence easterly 40 feet to a point on the east line of Lot 47 52 feet South of the northeast corner of Lot 47; thence northeasterly 81.22 feet to a point on the east line of Lot 51 38.1 feet South of the northeast corner of Lot 51; thence North 17.3 feet to a point on the east line of Lot 51 20.8 feet South of the northeast corner of Lot 51; thence northeasterly 82.68 feet to the northwest corner of Lot 57; thence East 40 feet to the northeast corner of Lot 57; thence South 64.1 feet along the east line of Lot 57; thence southwesterly 242.22 feet to a point on the west line of Lot 47 98 feet South of the northwest corner of Lot 47; thence North 46 feet along the west line of Lot 47 to the point of beginning, and Lot 59, Fond Du Lac Fourth Street Duluth (parcel number 010-1620-00291).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership for the Mission Creek Cemetery.

Sec. 17. PRIVATE SALE OF TAX-FORFEITED LANDS; ST. LOUIS COUNTY.

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited lands described in paragraph (c).

(b) The conveyances must be in a form approved by the attorney general. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy.

(c) The lands to be sold are located in St. Louis County and are described as:

(1) Lot 28, Fond Du Lac Fourth Street Duluth (part of parcel number 010-1620-01140);

(2) Lot 30, Fond Du Lac Fourth Street Duluth (part of parcel number 010-1620-01150);

(3) Lot 32, Fond Du Lac Fourth Street Duluth (part of parcel number 010-1620-01160);

(4) Lot 34, Fond Du Lac Fourth Street Duluth (part of parcel number 010-1620-01170);

(5) Lot 36, Fond Du Lac Fourth Street Duluth (part of parcel number 010-1620-01180);

(6) Lot 38, Fond Du Lac Fourth Street Duluth (part of parcel number 010-1620-01190);

(7) Lots 40 thru 48, even numbered lots, Fond Du Lac Fourth Street Duluth (part of parcel number 010-1620-01200); and

(8) Lot 50, Fond Du Lac Fourth Street Duluth (part of parcel number 010-1620-01250).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership for the Mission Creek Cemetery.

Sec. 18. PRIVATE SALE OF TAX-FORFEITED LANDS; ST. LOUIS COUNTY.

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in St. Louis County and is described as:

The South Half of Section 31, Township 50, Range 20, Town of Fine Lakes (part of parcel number 355-0010-04960).

(d) The county has determined that the county's land management interests would best be served if the land was returned to private ownership to resolve a structure encroachment.

Sec. 19. PRIVATE SALE OF SURPLUS LAND BORDERING PUBLIC WATER; SHERBURNE COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by private sale the surplus land bordering public water that is described in paragraph (c) for less than market value.

(b) The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be conveyed is located in Sherburne County and is described as:

That part of Government Lot 6, Section 31, Township 34 North, Range 27 West, Sherburne County, Minnesota, described as follows: Commencing at the most northerly corner of Outlot A, Eagle Lake Estates, according to the plat thereof on file and of record in the Office of the County Recorder in and for Sherburne County, Minnesota, being an existing iron monument with an aluminum cap stamped "Judicial Landmark 16095" (JLM); thence southwesterly 146.20 feet along the easterly line of said Outlot A on a curve concave to the southeast, having a central angle of 14 degrees 41 minutes 15 seconds, radius of 570.32 feet, and a chord bearing of South 29 degrees 12 minutes 20 seconds West, to a JLM; thence South 21 degrees 51 minutes 43 seconds West, along said easterly line, 196.53 feet to the point of beginning; thence continuing South 21 degrees 51 minutes 43 seconds West, along said easterly line, 35.00 feet to a JLM; thence South 89 degrees 38 minutes 17 seconds East, along the northerly line of said Outlot A, 87 feet, more or less, to the water's edge of Eagle Lake; thence northerly along said water's edge, 45 feet, more or less, to a line bearing North 80 degrees 55 minutes 20 seconds East from the point of beginning; thence South 80 degrees 55 minutes 20 seconds West 70 feet, more or less, to the point of beginning.

(d) The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land were returned to private ownership.

Sec. 20. **LEASE; TAX-FORFEITED LAND; ST. LOUIS COUNTY.**

(a) Notwithstanding Minnesota Statutes, section 282.04, or other law to the contrary, St. Louis County may lease the tax-forfeited lands described in paragraph (b) for consideration of more than \$50,000 per year and for a period exceeding 25 years to support new capital investment to support business expansion in the port.

(b) The lands to be leased are located in St. Louis County and are described as:

(1) that part of Out Lot Q described as follows: Commencing at the intersection of the extended center line of 50th Avenue West the United States government dock line as now established running thence North along said extended center line of 50th Avenue West a distance of 1261 feet; thence southerly parallel with the southwesterly line of Lesure Street to intersection with the said dock line; thence westerly along said dock line to place of beginning (parcel number: 010-0130-00310) except public waters; and

(2) that part of Out Lots Q and R as follows: Commencing at the intersection of extended center line of 50th Avenue West and the United States government dock line running thence North along said extended center line of 50th Avenue West 1261 feet to the place of beginning; thence southerly parallel with the southwest line of Lesure Street to intersection with said dock line; thence easterly along said dock line to a point 550 feet southwesterly from said southwesterly line of Lesure Street measured at right angles thereto; thence northwesterly parallel with said southwestern line of Lesure Street to said extended center line of said 50th Avenue West thence southerly along center line to place of beginning, excluding the railroad right-of-way (parcel number: 010-0130-00320) except public waters.

Sec. 21. **EXCHANGE OF STATE LAND; ST. LOUIS COUNTY.**

Subdivision 1. Authority. (a) Notwithstanding Minnesota Statutes, section 92.461, and the riparian restrictions in Minnesota Statutes, section 94.342, subdivision 3, the commissioner of natural resources may, with the approval of the Land Exchange Board, as required under the Minnesota Constitution, article XI, section 10, and according to the remaining provisions of Minnesota Statutes, sections 94.342 to 94.347, exchange the land described in paragraph (c).

(b) The conveyance must be in a form approved by the commissioner. The commissioner may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The state lands that may be conveyed are located in St. Louis County and are described as:

(1) Section 6, Township 53 North, Range 17 West;

(2) the Northeast Quarter of Section 29, Township 54 North, Range 17 West;

(3) the South Half of Section 30, Township 54 North, Range 17 West;

(4) the Northwest Quarter of Section 31, Township 54 North, Range 17 West; and

(5) Section 36, Township 54 North, Range 18 West.

(d) The state land administered by the commissioner of natural resources borders Jenkins Creek in portions of Sections 30 and 31 of Township 54 North, Range 17 West and includes approximately 210 feet of water frontage on Nichols Lake on Lot 7 of Section 6, Township 53 North, Range 17 West. The private land to be exchanged is forest land. While the exchange proposal does not provide at least equal opportunity for access to waters by the public, the land to be acquired by the commissioner in the exchange will increase the total riparian frontage of future state-administered lands and improve access to adjacent state forest lands.

Subd. 2. **Exchange for greater than substantially equal value.** (a) Notwithstanding Minnesota Statutes, section 94.343, subdivisions 3 and 5, or any other law to the contrary, the commissioner shall require the exchange partner to exchange lands or a combination of lands and money valued in the amount of at least 125 percent of the state land referenced in subdivision 1, paragraph (c), in determining whether the proposal is in the best interests of the school trust.

(b) Any money received under this subdivision shall be deposited in the permanent school fund pursuant to Minnesota Statutes, section 127A.32.

Sec. 22. PRIVATE SALE OF LAND; ST. LOUIS COUNTY.

(a) Notwithstanding the public sale and competitive bidding provisions of Minnesota Statutes, chapter 373, or other law to the contrary, St. Louis County may sell by private sale the fee owned lands described in paragraph (b).

(b) The lands to be sold are located in St. Louis County and are described as:

(1) the Southeast Quarter of the Northeast Quarter of Section 26, Township 54 North, Range 18 West of the 4th Principal Meridian; and

(2) the Northeast Quarter of the Southeast Quarter of Section 25, Township 54 North, Range 18 West of the 4th Principal Meridian.

(c) St. Louis County has determined that county interests are best served by sale of these parcels.

Sec. 23. EFFECTIVE DATE.

This article is effective the day following final enactment.

ARTICLE 6

STRENGTHEN MINNESOTA HOMES

Section 1. [65A.298] HOMEOWNER'S INSURANCE; FORTIFIED PROGRAM STANDARDS.

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

(b) "Insurable property" means a residential property designated as meeting the Fortified program standards as administered by the Insurance Institute for Business and Home Safety (IBHS).

Subd. 2. **Fortified new property.** (a) An insurer must provide a premium discount or an insurance rate reduction to an owner who builds or locates a new insurable property in Minnesota.

(b) An owner of insurable property claiming a premium discount or rate reduction under this subdivision must submit a certificate issued by IBHS showing proof of compliance with the Fortified program standards to the insurer prior to receiving the premium discount or rate reduction.

Subd. 3. **Fortified existing property.** (a) An insurer must provide a premium discount or insurance rate reduction to an owner who retrofits an existing property to meet the requirements to be an insurable property in Minnesota.

(b) An owner of insurable property claiming a premium discount or rate reduction under this subdivision must submit a certificate issued by IBHS showing proof of compliance with the Fortified program standards to the insurer prior to receiving the premium discount or rate reduction.

Subd. 4. **Insurers.** (a) An insurer must submit to the commissioner actuarially justified rates and a rating plan for a person who builds or locates a new insurable property in Minnesota.

(b) An insurer must submit to the commissioner actuarially justified rates and a rating plan for a person who retrofits an existing property to meet the requirements to be an insurable property.

(c) An insurer may offer, in addition to the premium discount and insurance rate reductions required under subdivisions 2 and 3, more generous mitigation adjustments to an owner of insurable property.

(d) Any premium discount, rate reduction, or mitigation adjustment offered by an insurer under this section applies only to policies that include wind coverage and may be applied (1) only to the portion of the premium for wind coverage or; (2) for the total premium, if the insurer does not separate the premium for wind coverage in the insurer's rate filing.

Sec. 2. [65A.299] STRENGTHEN MINNESOTA HOMES PROGRAM.

Subdivision 1. **Short title.** This section may be cited as the "Strengthen Minnesota Homes Act."

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

(b) "Insurable property" has the meaning given in section 65A.298, subdivision 1.

(c) "Program" means the Strengthen Minnesota Homes program established under this section.

Subd. 3. **Program established; purpose, permitted activities.** The Strengthen Minnesota Homes program is established within the Department of Commerce. The purpose of the program is to provide grants to retrofit insurable property to resist loss due to common perils, including but not limited to tornadoes or other catastrophic windstorm events.

Subd. 4. **Strengthen Minnesota homes account; appropriation.** (a) A strengthen Minnesota homes account is created as a separate account in the special revenue fund of the state treasury. The account consists of money provided by law and any other money donated, allotted, transferred, or otherwise provided to the account. Earnings, including 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 and remains in the account until expended. The commissioner must manage the account.

(b) Money in the account is appropriated to the commissioner to pay for (1) grants issued under the program, and (2) the reasonable costs incurred by the commissioner to administer the program.

Subd. 5. **Use of grants.** (a) A grant under this section must be used to retrofit an insurable property.

(b) Grant money provided under this section must not be used for maintenance or repairs, but may be used in conjunction with repairs or reconstruction necessitated by damage from wind or hail.

(c) A project funded by a grant under this section must be completed within three months of the date the grant is approved. Failure to complete the project in a timely manner may result in forfeiture of the grant.

Subd. 6. **Applicant eligibility.** The commissioner must develop (1) administrative procedures to implement this section, and (2) criteria used to determine whether an applicant is eligible for a grant under this section.

Subd. 7. **Contractor eligibility; conflicts of interest.** (a) To be eligible to work as a contractor on a project funded by a grant under this section, the contractor must meet all of the following program requirements and must maintain a current copy of all certificates, licenses, and proof of insurance coverage with the program office. The eligible contractor must:

(1) hold a valid residential building contractor and residential remodeler license issued by the commissioner of labor and industry;

(2) not be subject to disciplinary action by the commissioner of labor and industry;

(3) hold any other valid state or jurisdictional business license or work permits required by law;

(4) possess an in-force general liability policy with \$1,000,000 in liability coverage;

(5) possess an in-force workers' compensation policy with \$1,000,000 in coverage;

(6) possess a certificate of compliance from the commissioner of revenue;

(7) successfully complete the Fortified Roof for High Wind and Hail training provided by the IBHS or IBHS's successor and maintain an active certification and provide a certificate of successful completion. The training may be offered as separate courses;

(8) agree to the terms and successfully register as a vendor with the commissioner of management and budget and receive direct deposit of payment for mitigation work performed under the program;

(9) maintain Internet access and keep a valid email address on file with the program and remain active in the commissioner of management and budget's vendor and supplier portal while working on the program;

(10) maintain an active email address for the communication with the program;

(11) successfully complete the program training; and

(12) agree to follow program procedures and rules established under this section and by the commissioner.

(b) An eligible contractor must not have a financial interest, other than payment on behalf of the homeowner, in any project for which the eligible contractor performs work toward a fortified designation under the program. An eligible contractor is prohibited from acting as the evaluator for a fortified designation on any project funded by the program. An eligible contractor must report to the commissioner regarding any potential conflict of interest before work commences on any job funded by the program.

Subd. 8. **Evaluator eligibility; conflicts of interest.** (a) To be eligible to work on the program as an evaluator, the evaluator must meet all program eligibility requirements and must submit to the commissioner and maintain a copy of all current certificates and licenses. The evaluator must:

(1) be in good standing with IBHS and maintain an active certification as a fortified home evaluator for high wind and hail or a successor certification;

(2) possess a Minnesota business license and be registered with the secretary of state; and

(3) successfully complete the program training.

(b) An evaluator must not have a financial interest in any project that the evaluator inspects for designation purposes for the program. An evaluator must not be an eligible contractor or supplier of any material, product, or system installed in any home that the evaluator inspects for designation purposes for the program. An evaluator must not be a sales agent for any home being designated for the program. An evaluator must inform the commissioner of any potential conflict of interest impacting the evaluator's participation in the program.

Subd. 9. **Grant approval; allocation.** (a) The commissioner must review all applications for completeness and must perform appropriate audits to verify (1) the accuracy of the information on the application, and (2) that the applicant meets all eligibility rules. All verified applicants must be placed in the order the application was received. Grants must be awarded on a first-come, first-served basis, subject to availability of money for the program.

(b) When a grant is approved, an approval letter must be sent to the applicant.

(c) An eligible contractor is prohibited from beginning work until a grant is approved.

(d) In order to ensure equitable distribution of grants in proportion to the income demographics in counties where the program is made available, grant applications must be accepted on a first-come, first-served basis. The commissioner may establish pilot projects as needed to establish a sustainable program distribution system in any geographic area within Minnesota.

Subd. 10. **Grant award process; release of grant money.** (a) After a grant application is approved, the eligible contractor selected by the homeowner may begin the mitigation work.

(b) Once the mitigation work is completed, the eligible contractor must submit a copy of the signed contract to the commissioner, along with an invoice seeking payment and an affidavit stating the fortified standards were met by the work.

(c) The IBHS evaluator must conduct all required evaluations, including a required interim inspection during construction and the final inspection, and must confirm that the work was completed according to the mitigation specifications.

(d) Grant money must be released on behalf of an approved applicant only after a fortified designation certificate has been issued for the home. The program or another designated entity must, on behalf of the homeowner, directly pay the eligible contractor that performed the mitigation work. The program or the program's designated entity must pay the eligible contractor the costs covered by the grant. The homeowner must pay the eligible contractor for the remaining cost after receiving an IBHS fortified certificate.

(e) The program must confirm that the homeowner's insurer provides the appropriate premium credit.

(f) The program must conduct random reinspections to detect any fraud and must submit any irregularities to the attorney general.

Subd. 11. **Limitations.** (a) This section does not create an entitlement for property owners or obligate the state of Minnesota to pay for residential property in Minnesota to be inspected or retrofitted. The program under this section is subject to legislative appropriations, the receipt of federal grants or money, or the receipt of other sources of grants or money. The department may obtain grants or other money from the federal government or other funding sources to support and enhance program activities.

(b) All mitigation under this section is contingent upon securing all required local permits and applicable inspections to comply with local building codes and applicable Fortified program standards. A mitigation project receiving a grant under this section is subject to random reinspection at a later date.

ARTICLE 7

ENERGY POLICY

Section 1. [16B.312] CONSTRUCTION MATERIALS; ENVIRONMENTAL ANALYSIS.

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

(b) "Carbon steel" means steel in which the main alloying element is carbon and whose properties are chiefly dependent on the percentage of carbon present.

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

(d) "Electric arc furnace" means a furnace that produces molten alloy metal and heats the charge materials with electric arcs from carbon electrodes.

(e) "Eligible material" means:

(1) carbon steel rebar;

(2) structural steel;

(3) concrete; or

(4) asphalt paving mixtures.

(f) "Eligible project" means:

(1) new construction of a state building larger than 50,000 gross square feet of occupied or conditioned space;

(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; or

(3) new construction or reconstruction of two or more lane-miles of a trunk highway.

(g) "Environmental product declaration" means a supply chain specific type III environmental product declaration that:

(1) contains a material production 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 by a third party; and

(3) meets the ISO 14025 standard developed and maintained by the International Organization for Standardization (ISO).

(h) "Global warming potential" has the meaning given in section 216H.10, subdivision 6.

(i) "Greenhouse gas" has the meaning given to "statewide greenhouse gas emissions" in section 216H.01, subdivision 2.

(j) "Integrated steel production" means the production of iron and subsequently steel primarily from iron ore or iron ore pellets.

(k) "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.

(l) "Rebar" means a steel reinforcing bar or rod encased in concrete.

(m) "Secondary steel production" means the production of steel from primarily ferrous scrap and other metallic inputs that are melted and refined in an electric arc furnace.

(n) "State building" means a building owned by the state of Minnesota or a Minnesota state agency.

(o) "Structural steel" means steel that is classified by the shape of the steel's cross-sections, such as I, T, and C shapes.

(p) "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 material production lifecycle global warming potential, as defined in ISO standard 21930.

Subd. 2. **Standard; maximum global warming potential.** (a) The commissioner shall, after reviewing the recommendations from the Environmental Standards Procurement Task Force made under subdivision 5, paragraph (c), establish and publish a maximum acceptable global warming potential for each eligible material used in an eligible project, in accordance with the following schedule:

(1) for concrete used in buildings, no later than January 15, 2026; and

(2) for carbon steel rebar and structural steel and, after conferring with the commissioner of transportation, for asphalt paving mixtures and concrete pavement, no later than January 15, 2028.

(b) The commissioner shall, after considering nationally or internationally recognized databases of environmental product declarations for an eligible material, establish the maximum acceptable global warming potential for the eligible material.

(c) The commissioner may set different maximum global warming potentials for different specific products and subproduct categories that are examples of the same eligible material based on distinctions between eligible material production and manufacturing processes, such as integrated versus secondary steel production.

(d) The commissioner must establish maximum global warming potentials that are consistent with criteria in an environmental product declaration.

(e) Not later than three years after establishing the maximum global warming potential for an eligible material under paragraph (a) and not longer than every three years thereafter the commissioner, after conferring with the commissioner of transportation with respect to asphalt paving mixtures and concrete pavement, shall review the maximum acceptable global warming potential for each eligible material and for specific eligible material products. The commissioner may adjust any of the values downward to reflect industry improvements if, based on the process described in paragraph (b), the commissioner determines the industry average has declined.

Subd. 3. **Procurement process.** The Department of Administration and the Department of Transportation shall, after reviewing the recommendations of the Environmental Standards Procurement Task Force made under subdivision 5, paragraph (c), establish processes for incorporating the maximum allowable global warming potential of eligible materials into bidding processes by the effective dates listed in subdivision 2.

Subd. 4. **Pilot program.** (a) No later than July 1, 2024, the Department of Administration must establish a pilot program that seeks to obtain from vendors an estimate of the material production lifecycle greenhouse gas emissions of products selected by the departments from among those procured. The pilot program must encourage, but may not require, a 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 composing 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 vendor's Supplier Code of Conduct, if any;
- (5) the names and locations of the product's actual production facilities; and
- (6) an assessment of employee working conditions at the product's production facilities.

(b) The Department of Administration must construct or provide access to a publicly accessible database, which shall be posted on the department's website and contain the data reported to the department under this subdivision.

Subd. 5. **Environmental Standards Procurement Task Force.** (a) No later than October 1, 2023, the commissioners of administration and transportation must establish an Environmental Standards Procurement Task Force to examine issues surrounding the implementation of a program requiring vendors of certain construction materials purchased by the state to:

- (1) submit environmental product declarations that assess the material production lifecycle environmental impacts of the materials to state officials as part of the procurement process; and
- (2) meet standards established by the commissioner of administration that limit greenhouse gas emissions impacts of the materials.

(b) The task force must examine, at a minimum, the following:

(1) which construction materials should be subject to the program requirements and which construction materials should be considered to be added, including lumber, aluminum, glass, and insulation;

(2) what factors should be considered in establishing greenhouse gas emissions standards, including distinctions between eligible material production and manufacturing processes, such as integrated versus secondary steel production;

(3) a schedule for the development of standards for specific materials and for incorporating the standards into the purchasing process, including distinctions between eligible material production and manufacturing processes;

(4) the development and use of financial incentives to reward vendors for developing products whose greenhouse gas emissions are below the standards;

(5) the provision of grants to defer a vendor's cost to obtain environmental product declarations;

(6) how to ensure that lowering environmental product declaration values does not negatively impact the durability or longevity of construction materials or built structures;

(7) how the issues in clauses (1) to (5) are addressed by existing programs in other states and countries;

(8) coordinating with the federal Buy Clean Task Force established under Executive Order 14057 and representatives of the United States Departments of Commerce, Energy, Housing and Urban Development, and Transportation; Environmental Protection Agency; General Services Administration; White House Office of Management and Budget; and the White House Domestic Climate Policy Council; and

(9) any other issues the task force deems relevant.

(c) The task force shall make recommendations to the commissioners of administration and transportation regarding:

(1) how to implement requirements that maximum global warming impacts for eligible materials be integrated into the bidding process for eligible projects;

(2) incentive structures that can be included in bidding processes to encourage the use of materials whose global warming potential is below the maximum established under subdivision 2;

(3) how a successful bidder for a contract notifies the commissioner of the specific environmental product declaration for a material used on a project;

(4) a process for waiving the requirements to procure materials below the maximum global warming potential resulting from product supply problems, geographic impracticability, or financial hardship;

(5) a system for awarding grants to manufacturers of eligible materials located in Minnesota to offset the cost of obtaining environmental product declarations or otherwise collect environmental product declaration data from manufacturers based in Minnesota;

(6) whether to use an industry average or a different method to set the maximum allowable global warming potential, or whether that average could be used for some materials but not others;

(7) how to create and manage a database for environmental product declaration data that is consistent with data governance procedures of the departments and is compatible for data sharing with other states and federal agencies;

(8) how to account for differences among geographical regions with respect to the availability of covered materials, fuel and other necessary resources, and the quantity of covered materials that the department uses or plans to use; and

(9) any other items task force deems necessary in order to implement this section.

(d) Members of the task force must include but are not limited to representatives of:

- (1) the Departments of Administration and Transportation;
- (2) the Center for Sustainable Building Research at the University of Minnesota;
- (3) the Aggregate and Ready Mix Association of Minnesota;
- (4) the Concrete Paving Association of Minnesota;
- (5) the Minnesota Asphalt Pavement Association;
- (6) the Minnesota Board of Engineering;
- (7) a representative of the Minnesota iron mining industry;
- (8) building and transportation construction firms;
- (9) suppliers of eligible materials;
- (10) organized labor in the construction trades;
- (11) organized labor in the manufacturing or industrial sectors;
- (12) environmental advocacy organizations; and
- (13) environmental justice organizations.

(e) The Department of Administration must provide meeting space and serve as staff to the task force.

(f) The commissioner of administration or the commissioner's designee shall serve as chair of the task force. The task force must meet at least four times annually and may convene additional meetings at the call of the chair.

(g) The commissioner of administration shall summarize the findings and recommendations of the task force in a report submitted to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over state government, transportation, and energy no later than December 1, 2025, and annually thereafter for as long as the task force continues its operations.

(h) The task force is subject to section 15.059, subdivision 6.

(i) The task force expires on January 1, 2029.

Subd. 6. Environmental product declarations; grant program. A grant program is established in the Department of Administration to award grants to manufacturers to assist in obtaining environmental product declarations or in otherwise collecting environmental product declaration data from manufacturers in Minnesota. The commissioner of administration shall develop procedures for processing grant applications and making grant awards. Grant applicants must submit an application to the commissioner on a form prescribed by the commissioner. The commissioner shall act as fiscal agent for the grant program and is responsible for receiving and reviewing grant applications and awarding grants under this subdivision.

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

Sec. 2. Minnesota Statutes 2022, section 16B.325, subdivision 2, is amended to read:

Subd. 2. **Lowest possible cost; energy conservation.** The guidelines must:

(1) focus on achieving the lowest possible lifetime cost, considering both construction and operating costs, for new buildings and major renovations, and;

(2) allow for ~~changes in the guidelines~~ revisions that encourage continual energy conservation improvements in new buildings and major renovations. ~~The guidelines shall;~~

(3) define "major renovations" for purposes of this section. ~~The definition may not allow "major renovations" to encompass not less than 10,000 square feet or to encompass not less than the replacement of the mechanical, ventilation, or cooling system of the a building or a building section of the building. The design guidelines must;~~

(4) establish sustainability guidelines that include air quality and lighting standards and that create and maintain a healthy environment and facilitate productivity improvements;

(5) establish resiliency guidelines to encourage design that allows buildings to adapt to and accommodate projected climate-related changes that are reflected in both acute events and chronic trends, including but not limited to changes in temperature and precipitation levels;

(6) specify ways to reduce material costs; and ~~must~~

(7) consider the long-term operating costs of the building, including the use of renewable energy sources and distributed electric energy generation that uses a renewable source or natural gas or a fuel that is as clean or cleaner than natural gas.

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

Sec. 3. Minnesota Statutes 2022, section 16B.58, is amended by adding a subdivision to read:

Subd. 9. **Electric vehicle charging.** A person that charges a privately owned electric vehicle at a charging station located within the Capitol area, as defined in section 15B.02, must pay an electric service fee established by the commissioner.

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

Sec. 4. Minnesota Statutes 2022, 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 enterprise fleet 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 according to the following vehicle preference order:

(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 that is higher on the vehicle preference order 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 vehicle type on the vehicle preference order.

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

Sec. 5. Minnesota Statutes 2022, 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 vehicle preference order 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. 6. Minnesota Statutes 2022, 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. Amounts required to be transferred by the public utility to the renewable development account under this paragraph must be reduced each year by the amount of any payments made by the public utility to the Prairie Island Indian Community under section 216B.1645, subdivision 4, paragraph (c).

(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, potential benefit to Minnesota citizens and businesses and the utility's ratepayers.

(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. 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.

(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.

(v) Construction projects receiving funds from this account are subject to the requirement to pay the prevailing wage rate, as defined in section 177.42 and the requirements and enforcement provisions in sections 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to construction contracts entered into on or after that date.

Sec. 7. Minnesota Statutes 2022, section 116C.7792, is amended to read:

116C.7792 SOLAR ENERGY PRODUCTION INCENTIVE PROGRAM.

(a) The utility subject to section 116C.779 shall operate a program to provide solar energy production incentives for solar energy systems of no more than a total aggregate nameplate capacity of 40 kilowatts alternating current per premise. The owner of a solar energy system installed before June 1, 2018, is eligible to receive a production incentive under this section for any additional solar energy systems constructed at the same customer location, provided that the aggregate capacity of all systems at the customer location does not exceed 40 kilowatts.

(b) The program is funded by money withheld from transfer to the renewable development account under section 116C.779, subdivision 1, paragraphs (b) and (e). Program funds must be placed in a separate account for the purpose of the solar energy production incentive program operated by the utility and not for any other program or purpose.

(c) Funds allocated to the solar energy production incentive program in 2019 and 2020 remain available to the solar energy production incentive program.

(d) The following amounts are allocated to the solar energy production incentive program:

(1) \$10,000,000 in 2021;

(2) \$10,000,000 in 2022;

(3) ~~\$5,000,000~~ \$10,000,000 in 2023; and

(4) ~~\$5,000,000~~ \$15,000,000 in 2024.

(e) Of the amounts allocated under paragraph (d), clauses (3) and (4), half in each year must be reserved for solar energy systems owned and constructed by persons with limited financial resources.

(e) (f) Funds allocated to the solar energy production incentive program that have not been committed to a specific project at the end of a program year remain available to the solar energy production incentive program.

(f) (g) Any unspent amount remaining on January 1, ~~2025~~ 2028, must be transferred to the renewable development account.

(g) (h) A solar energy system receiving a production incentive under this section must be sized to less than 120 percent of the customer's on-site annual energy consumption when combined with other distributed generation resources and subscriptions provided under section 216B.1641 associated with the premise. The production incentive must be paid for ten years commencing with the commissioning of the system.

(h) (i) The utility must file a plan to operate the program with the commissioner of commerce. The utility may not operate the program until it is approved by the commissioner. A change to the program to include projects up to a nameplate capacity of 40 kilowatts or less does not require the utility to file a plan with the commissioner. Any plan approved by the commissioner of commerce must not provide an increased incentive scale over prior years unless the commissioner demonstrates that changes in the market for solar energy facilities require an increase.

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

Sec. 8. **[116C.7793] SOLAR ENERGY; CONTINGENCY ACCOUNT.**

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

(b) "Agency" means the Minnesota Pollution Control Agency.

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

(d) "Area C" means the site located west of Mississippi River Boulevard in St. Paul that served as an industrial waste dump for the former Ford Twin Cities Assembly Plant.

(e) "Corrective action determination" means a decision by the agency regarding actions to be taken to remediate contaminated soil and groundwater at Area C.

(f) "Owner" means the owner of the solar energy generating system planned to be deployed at Area C.

(g) "Solar energy generating system" has the meaning given in section 216E.01, subdivision 9a.

Subd. 2. **Account established.** (a) The Area C contingency account is established as a separate account in the special revenue fund in the state treasury. Transfers and appropriations to the account, and any earnings or dividends accruing to assets in the account, must be credited to the account. The commissioner shall serve as fiscal agent and shall manage the account.

(b) Money in the account is appropriated to the commissioner to make payments to an owner under this section.

Subd. 3. **Distribution of funds; conditions.** Money from the account may be distributed by the commissioner to the owner of a solar energy generating system planned to be deployed at Area C under the following conditions:

(1) the agency issues a corrective action determination after the owner has begun to design or construct the project, and the nature of the corrective action determination requires (i) the project to be redesigned, or (ii) construction to be interrupted or altered; or

(2) the agency issues a corrective action determination whose work plan requires temporary cessation or partial or complete removal of the solar energy generating system after it has become operational.

Subd. 4. **Distribution of funds; process.** (a) The owner may file a request for distribution of funds from the commissioner if either of the conditions in subdivision 3 occur. The filing must (1) describe the nature of the impact of the agency's work plan that results in economic losses to the owner, and (2) include a reasonable estimate of the amount of those losses.

(b) The owner must provide the commissioner with information the commissioner determines to be necessary to assist in the review of the filing required under this subdivision.

(c) The commissioner shall review the owner's filing within 60 days of submission and shall approve a request the commissioner determines is reasonable.

Subd. 5. **Expenditures.** Money distributed by the commissioner to the owner under this section may be used by the owner only to pay for:

(1) removal, storage, and transportation costs incurred for removal of the solar energy generating system or any associated infrastructure, and any costs to reinstall equipment;

(2) costs of redesign or new equipment or infrastructure made necessary by the activities of the agency's work plan;

(3) lost revenues resulting from the inability of the solar energy generating system to generate sufficient electricity to fulfill the terms of the power purchase agreement between the owner and the purchaser of electricity generated by the solar energy generating system;

(4) other damages incurred under the power purchase agreement resulting from the cessation of operations made necessary by the activities of the agency's work plan; and

(5) the cost of energy required to replace the energy that was to be generated by the solar energy generating system and purchased under the power purchase agreement.

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

Sec. 9. **[123B.661] AIR VENTILATION PROGRAM ACT.**

Sections 123B.661 to 123B.663 may be cited as the "Air Ventilation Program Act."

Sec. 10. [123B.662] DEFINITIONS.

Subdivision 1. **General.** For purposes of sections 123B.661 to 123B.663, the terms in this section have the meanings given unless the language or context clearly indicates that a different meaning is intended.

Subd. 2. **ANSI.** "ANSI" means American National Standards Institute.

Subd. 3. **ASHRAE.** "ASHRAE" means American Society of Heating Refrigeration Air Conditioning Engineers.

Subd. 4. **Certified TAB technician.** "Certified TAB technician" means a technician certified to perform testing, adjusting, and balancing of HVAC systems by the Associated Air Balance Council, National Environmental Balancing Bureau, or the Testing, Adjusting and Balancing Bureau.

Subd. 5. **HVAC.** "HVAC" means heating, ventilation, and air conditioning.

Subd. 6. **Licensed professional engineer.** "Licensed professional engineer" means a professional engineer licensed under sections 326.02 to 326.15 who holds an active license, is in good standing, and is not subject to any disciplinary or other actions with the Board of Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience and Interior Design.

Subd. 7. **MERV.** "MERV" means minimum efficiency reporting value established by ASHRAE Standard 52.2-2017 - Method of Testing General Ventilation Air-Cleaning Devices for Removal Efficiency by Particle Size.

Subd. 8. **Program.** "Program" means the air ventilation program.

Subd. 9. **Program administrator.** "Program administrator" means the commissioner of commerce or the commissioner's representative.

Subd. 10. **Qualified adjusting personnel.** "Qualified adjusting personnel" means one of the following:

- (1) a certified TAB technician; or
- (2) a skilled and trained workforce under the supervision of a certified TAB technician.

Subd. 11. **Qualified testing personnel.** "Qualified testing personnel" means one of the following:

- (1) a certified TAB technician; or
- (2) a skilled and trained workforce under the supervision of a certified TAB technician.

Subd. 12. **Registered apprenticeship program.** "Registered apprenticeship program" means an apprenticeship program that is registered under chapter 178 or Code of Federal Regulations, title 29, part 29.

Subd. 13. **Skilled and trained workforce.** "Skilled and trained workforce" means a workforce in which at least 80 percent of the construction workers are either graduates of a registered

apprenticeship program for the applicable occupation or are registered as apprentices in a registered apprenticeship program for the applicable occupation.

Subd. 14. **TAB.** "TAB" means testing, adjusting, and balancing of an HVAC system.

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

Sec. 11. **[123B.663] AIR VENTILATION PILOT PROGRAM GRANTS AND GUIDELINES.**

Subdivision 1. **Grant program.** The Department of Commerce shall establish and administer the air ventilation program to award grants to school boards to reimburse the school boards for the following activities:

- (1) completion of a heating, ventilation, and air conditioning assessment report;
- (2) subsequent testing, adjusting balancing work performed as a result of assessment; and
- (3) ventilation equipment upgrades, replacements, or other measures recommended by the assessment to improve health, safety, and HVAC system efficiency.

Subd. 2. **Grant awards.** (a) The program administrator shall award a grant if the school board meets the following requirements:

(1) completes a heating, ventilation, and air conditioning assessment report by qualified testing personnel or qualified adjusting personnel. The report must be verified by a licensed professional engineer and include costs of adjustments or repairs necessary to meet minimum ventilation and filtration requirements and determine whether any cost-effective energy efficiency upgrades or replacements are warranted or recommended;

(2) all work required after conducting the assessment must be performed by a skilled and trained workforce;

(3) upon completion of the work for which a school board is seeking reimbursement, the school board must conduct an HVAC verification report that includes the name and address of the school facility and individual or contractor preparing and certifying the report and a description of the assessment, maintenance, adjustment, repair, upgrade, and replacement activities and outcomes; and

(4) verification that the school board has complied with all requirements. Verification must include documentation that either MERV 13 filters have been installed or verification that the maximum MERV-rated filter that the system is able to effectively handle has been installed; documentation of the MERV rating; the verified ventilation rates for occupied areas of the school and whether those rates meet the requirements set forth in ANSI/ASHRAE Standard 62.1-2019, with an accompanying explanation for any ventilation rates that do not meet applicable requirements documenting why the current system is unable to meet requirements; the verified exhaust for occupied areas and whether those rates meet the requirements set forth in the system design intent; documentation of system deficiencies; recommendations for additional maintenance, replacement, or upgrades to improve energy efficiency, safety, or performance; documentation of initial operating

verifications, adjustments, and final operating verifications; documentation of any adjustments or repairs performed; verification of installation of carbon dioxide monitors, including the make and model of monitors; and verification that all work has been performed by qualified personnel, including the contractor's name, certified TAB technician name and certification number, and verification that all construction work has been performed by a skilled and trained workforce.

(b) Grants shall be prioritized to give direct support to schools and school children in communities with high rates of poverty, as determined by receipt of federal Title I funding.

(c) Grants shall be awarded to reimburse schools for 50 percent of costs incurred for work performed under paragraph (a), clauses (1) to (3), with a maximum grant award of \$50,000.

(d) The school board shall maintain a copy of the HVAC verification report and make it available to students, parents, school personnel, and to any member of the public or the program administrator upon request.

Subd. 3. **Program guidelines and rules.** (a) The program administrator shall:

(1) adopt guidelines for the air ventilation program no later than March 1, 2024;

(2) establish the timing of grant funding; and

(3) ensure the air ventilation program is operating and may receive applications for grants no later than November 1, 2023, and begin to approve applications no later than January 1, 2024, subject to the availability of funds.

(b) The technical and reporting requirements of the air ventilation program may be amended by the program administrator as necessary to reflect current COVID-19 guidance or other applicable guidance, to achieve the intent of the air ventilation program, and to ensure consistency with other related requirements and codes.

(c) The program administrator may use no more than five percent of the program funds for administering the program, including providing technical support to program participants.

Sec. 12. Minnesota Statutes 2022, 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) 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, 2024.

Sec. 13. Minnesota Statutes 2022, section 216B.16, subdivision 10, is amended to read:

Subd. 10. **Intervenor compensation.** (a) A nonprofit organization or an individual granted formal intervenor status by the commission is eligible to receive compensation.

(b) The commission may order a utility to compensate all or part of an eligible intervenor's reasonable costs of participation in a general rate case that comes before the commission when the commission finds that the intervenor has materially assisted the commission's deliberation and when a lack of compensation would present financial hardship to the intervenor. Compensation may not exceed \$50,000 for a single intervenor in any proceeding. For the purpose of this subdivision, "materially assisted" means that the intervenor's participation and presentation was useful and seriously considered, or otherwise substantially contributed to the commission's deliberations in the proceeding.

(c) In determining whether an intervenor has materially assisted the commission's deliberation, the commission must consider, among other factors, whether:

(1) the intervenor represented an interest that would not otherwise have been adequately represented;

(2) the evidence or arguments presented or the positions taken by the intervenor were an important factor in producing a fair decision;

(3) the intervenor's position promoted a public purpose or policy;

(4) the evidence presented, arguments made, issues raised, or positions taken by the intervenor would not have been a part of the record without the intervenor's participation; and

(5) the administrative law judge or the commission adopted, in whole or in part, a position advocated by the intervenor.

(d) In determining whether the absence of compensation would present financial hardship to the intervenor, the commission must consider:

(1) whether the costs presented in the intervenor's claim reflect reasonable fees for attorneys and expert witnesses and other reasonable costs; and

(2) the ratio between the costs of intervention and the intervenor's unrestricted funds.

(e) An intervenor 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 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.

(f) The compensation request must include:

(1) the name and address of the intervenor or representative of the nonprofit organization the intervenor is representing;

(2) proof 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 revenues and expenses of the organization the intervenor is representing for the preceding year and projected revenues, revenue sources, and expenses for the current year;

(5) the organization's balance sheet for the preceding year and a current monthly balance sheet;

(6) an itemization of intervenor costs and the total compensation request; and

(7) a narrative explaining why additional organizational funds cannot be devoted to the intervention.

(g) 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 intervenor and all other parties to the proceeding.

(h) Within 15 days after the response is filed, the intervenor 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.

(i) If additional costs are incurred as a result of additional proceedings following the commission's initial order, the intervenor may file an amended request within 30 days after the commission issues an amended order. Paragraphs (e) to (h) apply to an amended request.

(j) The commission must issue a decision on intervenor compensation within 60 days of a filing by an intervenor.

(k) A party may request reconsideration of the commission's compensation decision within 30 days of the decision.

(l) If the commission issues an order requiring payment of intervenor compensation, the utility that was the subject of the proceeding must pay the compensation to the intervenor, and file with the commission proof of payment, 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 its order on intervenor compensation.

(m) This subdivision is effective only after section 216B.631 expires.

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

Sec. 14. **[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" means any device or contrivance that transports persons or property and is capable of being powered by an electric motor drawing current from rechargeable storage batteries, fuel cells, or other portable sources of electricity. Electric vehicle includes but is not limited to:

(1) an electric vehicle, as defined in section 169.011, subdivision 26a;

(2) an electric-assisted bicycle, as defined in section 169.011, subdivision 27;

(3) an off-road vehicle, as defined in section 84.797, subdivision 7;

(4) a motorboat, as defined in section 86B.005, subdivision 9; or

(5) an aircraft, as defined in section 360.013, subdivision 37.

(d) "Electric vehicle charging station" means a physical location deploying equipment that:

(1) transfers electricity to an electric vehicle battery;

(2) dispenses hydrogen into an electric vehicle powered by a fuel cell;

(3) exchanges electric vehicle batteries; or

(4) provides other equipment used to charge or fuel electric vehicles.

(e) "Electric vehicle infrastructure" means electric vehicle charging stations and any associated machinery, equipment, and infrastructure necessary for a public utility to supply electricity or hydrogen to an electric vehicle charging station and to support electric vehicle operation.

(f) "Fuel cell" means a cell that converts the chemical energy of hydrogen directly into electricity through electrochemical reactions.

(g) "Government entity" means the state, a state agency, or a political subdivision, as defined in section 13.02, subdivision 11.

(h) "Public utility" has the meaning given in section 216B.02, subdivision 4.

Subd. 2. **Transportation electrification plan; contents.** (a) By November 1, 2023, and periodically as ordered by the commission, a public utility must file a transportation electrification plan with the commission that is designed to:

(1) maximize the overall benefits of electric vehicles and other electrified transportation while minimizing overall costs; and

(2) promote the:

(i) purchase of electric vehicles by the public utility's customers; and

(ii) 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 among individuals, electric vehicle dealers, single-family and multifamily housing developers and property management companies, building owners and tenants, vehicle service stations, vehicle fleet owners and managers, and other potential users of electric vehicles;

(2) utility investments to support transportation electrification across all customer classes, including but not limited to investments to facilitate:

(i) the deployment of electric vehicles for personal and commercial use; customer-owned, third-party-owned, and utility-owned electric vehicle charging stations; electric vehicle infrastructure to support light-duty, medium-duty, and heavy-duty vehicle electrification; and other electric utility infrastructure needed to support transportation electrification;

(ii) widespread access to publicly available electric vehicle charging stations; and

(iii) the electrification of public transit and vehicle fleets owned or operated by a government entity;

(3) research and demonstration projects to increase access to electricity as a transportation fuel, minimize the system costs of electric transportation, and inform future transportation electrification plans;

(4) rate structures or programs that encourage electric vehicle charging that optimizes electric grid operation, including time-varying rates and charging optimization programs;

(5) programs to increase access to the benefits of electricity as a transportation fuel for low- or moderate-income customers and communities and in neighborhoods most affected by transportation-related air emissions;

(6) proposals to expedite commission consideration of program adjustments requested during the term of an approved transportation electrification plan; and

(7) proposals to share information and results from transportation electrification projects with stakeholders to promote effective electrification in all areas of the state.

Subd. 3. **Transportation electrification plan; review and implementation.** The commission may approve, modify, or reject a transportation electrification plan. When reviewing a transportation electrification plan, the commission must consider whether the programs, investments, and expenditures as a whole are reasonable and in the public interest, and are reasonably expected to:

- (1) improve the operation of the electric grid;
- (2) increase access to the use of electricity as a transportation fuel for all customers, including those in low- or moderate-income communities, rural communities, and communities most affected by emissions from the transportation sector;
- (3) increase access to publicly available electric vehicle charging and destination charging for all types of electric vehicles;
- (4) support the electrification of medium-duty and heavy-duty vehicles and associated charging infrastructure;
- (5) reduce statewide greenhouse gas emissions, as defined in section 216H.01, and emissions of other air pollutants that impair the environment and public health;
- (6) stimulate nonutility investment and the creation of skilled jobs;
- (7) maximize the overall benefits of electric vehicles and other electrified transportation investments while minimizing overall costs;
- (8) educate the public about the benefits of electric vehicles and related infrastructure;
- (9) be transparent and incorporate reasonable public reporting of program activities, consistent with existing technology and data capabilities, to inform program design and commission policy with respect to electric vehicles;
- (10) reasonably balance the benefits of ratepayer-funded investments in transportation electrification against impacts on utility rates; and
- (11) appropriately balance the participation of public utilities and private enterprise in the market for transportation electrification and related services.

Subd. 4. **Cost recovery.** (a) Notwithstanding any other provision of this chapter, the commission may approve, with respect to any prudent and reasonable investments made or expenses incurred by a public utility to administer and implement a transportation electrification plan approved under subdivision 3:

- (1) performance-based incentives or penalties;
- (2) placing the capital investment 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; or
- (3) any other recovery mechanism that the commission determines is fair, reasonable, and supports the objectives of this section.

(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. 15. **[216B.1616] ELECTRIC SCHOOL BUS 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 school bus" means a passenger motor vehicle:

(1) primarily used to transport preprimary, primary, and secondary students;

(2) designed to carry a driver and more than ten passengers; and

(3) whose primary propulsion and accessory power technologies produce zero carbon emissions in day-to-day operations.

(d) "Electric utility" means a public utility or a consumer-owned utility, as defined in section 216B.2402, subdivision 2.

(e) "Electric vehicle" has the meaning given in section 169.011, subdivision 26a.

(f) "Electric vehicle charging station" means a physical location deploying equipment that provides electricity to charge a battery in an electric vehicle.

(g) "Electric vehicle infrastructure" means electric vehicle charging stations and any associated electric panels, machinery, equipment, and infrastructure necessary for an electric utility to supply electricity or hydrogen to an electric vehicle charging station and to support electric vehicle operation.

(h) "Electric vehicle service provider" means an organization that installs, maintains, or otherwise services a battery exchange station, electric vehicle infrastructure, or electric vehicle charging station.

(i) "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 total suspended particulates, particulate matter less than ten microns wide (PM-10), particulate matter less than 2.5 microns wide (PM-2.5), sulfur dioxide, or nitrogen dioxide; or

(2) levels of asthma among children that significantly exceed the statewide average.

(j) "Prioritized school district" means:

(1) a school district listed in the Small Area Income and Poverty Estimates (SAIPE) School District Estimates as having 7.5 percent or more students living in poverty based on the most recent decennial United States census;

(2) a school district identified with locale codes "43-Rural: Remote" and "42-Rural: Distant" by the National Center for Education Statistics (NCES); or

(3) a Bureau of Indian Affairs funded school district and a school district that receives basic support payments under United States Code, title 20, section 7703(b)(1), for children who reside on Indian land.

(k) "Public utility" has the meaning given in section 216B.02, subdivision 4.

(l) "School" means a school that operates as part of an independent or special school district.

(m) "School bus" has the meaning given in section 169.011, subdivision 71.

(n) "School district" means an independent or special school district.

(o) "Transportation service provider" means a transportation service provider that provides student transportation services and that has a contract to provide transportation services to a school.

Subd. 2. **Establishment; purpose.** An electric school bus deployment program is established in the Department of Commerce. The purpose of the program is to provide grants to accelerate the deployment of electric school buses by school districts and to encourage schools to use vehicle electrification as a teaching tool that can be integrated into the school's curriculum.

Subd. 3. **Establishment of account.** An electric school bus program account is established in the special revenue fund. The account consists of money received provided by law, donated, allotted, transferred, or otherwise provided to the account. Earnings including interest, dividends, and any other earnings arising from assets of the account must be credited to the account. Except as otherwise provided in this subdivision, money deposited in the account remains in the account until June 30, 2027.

Subd. 4. **Appropriation; expenditures.** (a) Money in the account is appropriated to the commissioner and must be used only:

(1) for grant awards made under this section; and

(2) to pay the reasonable costs incurred by the department to administer this section, including the cost of providing technical assistance to school districts, electric utilities, electric vehicle service providers, or transportation service providers, including but not limited to grant writing assistance for applications for federal vehicle electrification programs.

(b) Grant awards made with funds in the account must be used only for:

(1) grants for the deployment of electric school buses by school districts; and

(2) reasonable costs related to technical assistance for electric school bus deployment program planning and preparing applications for federal vehicle electrification programs.

Subd. 5. **Eligible programs.** (a) An electric school bus deployment grant may be awarded to a school district, electric utility, electric vehicle service provider, or transportation service provider under this section only if the electric school bus deployment program that is the subject of the grant includes but is not limited to the following elements:

(1) a school district or transportation service provider may (i) purchase one or more electric school buses, or (ii) convert or repower fossil-fuel-powered school buses to be electric;

(2) the grant may be used for up to 75 percent of the cost the school district or transportation service provider incurs to (i) purchase one or more electric school buses, or (ii) convert or repower fossil-fuel-powered school buses to be electric;

(3) for prioritized school districts, the grant may be used for up to 95 percent of the cost the school district or transportation service provider incurs to (i) purchase one or more electric school buses, or (ii) convert or repower fossil-fuel-powered school buses to be electric;

(4) the grant may be used for up to 75 percent of the cost of deploying on the school district or transportation service provider's real property infrastructure required to operate electric school buses, including but not limited to battery exchange stations, electric vehicle infrastructure, or electric vehicle charging stations;

(5) for prioritized school districts, the grant may be used for up to 95 percent of the cost of deploying on the school district or transportation service provider's real property infrastructure required to operate electric school buses, including but not limited to battery exchange stations, electric vehicle infrastructure, or electric vehicle charging stations;

(6) at the request of a school district or transportation service provider, an electric utility may deploy on the school district or transportation service provider's real property electric vehicle infrastructure required to operate electric school buses; and

(7) the school district prioritizes the deployment of electric school buses in areas of the school district that serve disadvantaged students, disproportionately experience poor air quality, or are environmental justice areas as defined in section 216B.1691, subdivision 1, paragraph (e).

(b) A technical assistance grant may be awarded to a school district, electric utility, electric vehicle service provider, or transportation service provider under this section for the reasonable costs related to electric school bus deployment program planning and for preparing applications for federal vehicle electrification programs.

Subd. 6. **Application process.** (a) The commissioner must issue a request for proposals to school districts, electric utilities, electric vehicle service providers, and transportation service providers that may wish to apply for an electric bus deployment or technical assistance grant under this section on behalf of a school.

(b) A school district, electric utility, electric vehicle service provider, or transportation service provider must submit an application for an electric school bus deployment grant to the commissioner on behalf of a school district on a form prescribed by the commissioner. The form must include, at a minimum, the following information:

(1) the number of and description of the electric school buses the school district or transportation service provider intends to purchase;

(2) the total cost to purchase the electric school buses and the incremental cost, if any, of the electric school buses when compared with fossil-fuel-powered school buses;

(3) a copy of the proposed contract agreement between the school district, the electric utility, the electric vehicle service provider, or the transportation service provider that includes provisions addressing responsibility for maintenance of the electric school buses and the infrastructure required to operate electric school buses, including but not limited to battery exchange stations, electric vehicle infrastructure, or electric vehicle charging stations;

(4) whether the school district is also a prioritized school district;

(5) the areas of the school district that (i) serve disadvantaged students; (ii) disproportionately experience poor air quality, as measured by indicators such as the Minnesota Pollution Control Agency's air quality monitoring network, the Minnesota Department of Health's air quality and health monitoring, or any other indicators applicants choose to include; or (iii) are environmental justice areas as defined in section 216B.1691, subdivision 1, paragraph (e);

(6) the school district's plan, if any, to make the electric school buses serve as a visible learning tool for students, teachers, and visitors to the school, including how vehicle electrification may be integrated into the school district's curriculum;

(7) information that demonstrates the school district's level of need for financial assistance available under this section;

(8) information that demonstrates the school district's readiness to implement the project and to operate the electric school buses for no less than five years;

(9) with respect to the installation and operation of the infrastructure required to operate electric school buses, the willingness and ability of the electric vehicle service provider or the electric 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; and

(10) any other information deemed relevant by the commissioner.

(c) A school district, electric utility, electric vehicle service provider, or transportation service provider must submit an application for a technical assistance grant to the commissioner on behalf of a school district on a form prescribed by the commissioner. The form must include, at a minimum, the following information:

(1) the name of the federal programs to which the applicants intend to apply;

(2) a description of the technical assistance the applicants need in order to complete the federal application; and

(3) any other information deemed relevant by the commissioner.

(d) The commissioner shall prioritize making grant awards to prioritized school districts. On an annual basis, when prioritized school districts have applied for a grant, the commissioner shall have as a goal awarding no less than 40 percent of the state's total grant award amount to prioritized school districts.

(e) The commissioner must administer an open application process under this section at least twice annually.

(f) The commissioner must develop administrative procedures governing the application and grant award process.

Subd. 7. **Technical assistance.** The commissioner must provide technical assistance to school districts to develop and execute projects under this section.

Subd. 8. **Grant payments.** The commissioner must award a grant from the account established under subdivision 3 to a school district, the electric utility, electric vehicle service provider, or transportation service provider for necessary costs associated with deployment of electric buses. The amount of the grant must be based on the commissioner's assessment of the school district's need for financial assistance. For each award, the amount of the grant, in combination with any federal vehicle electrification program awards to the school district, the electric utility, the electric vehicle service provider, or the transportation service provider, shall not exceed the cost of the applicant's proposed electric school buses, electric vehicle charging stations, and electric vehicle infrastructure.

Subd. 9. **Application deadline.** No application may be submitted under this section after December 31, 2032.

Subd. 10. **Reporting.** Beginning January 15, 2024, and each year thereafter until January 15, 2034, the commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over energy regarding: (1) grants and amounts awarded to school districts under this section during the previous year; and (2) any remaining balances available under this section.

Subd. 11. **Cost recovery.** (a) Any prudent and reasonable investment made by any public utility on electric vehicle infrastructure installed on a school district's real property may 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 to automatically adjust annual charges for prudent and reasonable investments made by a public utility on electric vehicle infrastructure installed on a school district's real property.

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

Sec. 16. Minnesota Statutes 2022, section 216B.1641, is amended to read:

216B.1641 COMMUNITY SOLAR GARDEN.

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

(b) "Landlord" has the meaning given in section 504B.001, subdivision 7.

(c) "Residential tenant" has the meaning given in section 504B.001, subdivision 12.

(d) "Subscriber" means a retail customer who contracts for one or more subscriptions for a community solar garden interconnected with the retail customer's utility.

(e) "Subscription" means a contract between a subscriber and the owner of a community solar garden.

Subd. 2. Solar garden program. (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. 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 ~~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. The purchase shall be at 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. (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 participation by a subscriber must be strictly voluntary;

(10) prohibit a landlord from removing a residential tenant who is an existing retail customer of the public utility from the utility account and subscribing to a community solar garden on behalf of the tenant;

(11) ensure that contract terms are publicly available; and

(12) allow subscribers to stop subscribing without charging a fee or other penalty.

~~(b)~~ (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.

~~(c)~~ (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. **Low-income community solar gardens.** (a) The public utility subject to section 116C.779 must file by September 30, 2023, a plan with the commission to operate a low-income community solar garden program in accordance with this subdivision, and must begin operations within 90 days after commission approval of the plan. The program operated under this subdivision:

(1) is subject to the other requirements of this section except as modified by this subdivision;

(2) is limited in size to ten megawatts of solar photovoltaic capacity annually;

(3) must provide that renewable energy credits generated under the program are retained by the public utility; and

(4) must require the utility to purchase all energy generated by a low-income community solar garden. A subscriber's portion of the purchase shall be provided by a credit on the subscriber's bill at the average retail utility energy rate for the appropriate customer class.

(b) The owner of a solar project must apply to the utility to be designated as a low-income community solar garden before it is eligible to participate in the program. The utility must not designate a project a low-income community solar garden unless it is majority owned by a cooperative association, nonprofit organization, or federally recognized Indian Tribe. The utility may designate a project as a low-income community solar garden if the owner of the solar garden demonstrates it will meet the following conditions:

(1) the solar generation facilities of the solar garden meet the requirements of subdivision 2, paragraph (b), except as modified by this paragraph;

(2) at least 25 percent of the solar garden's generating capacity is subscribed by residential customers whose household income:

(i) is 80 percent or less of the area median household income for the geographic area in which the low-income household is located, as calculated by the federal Department of Housing and Urban Development; or

(ii) meets the income eligibility standards, as determined by the commission, required for a household to receive financial assistance from a federal, state, municipal, or utility program administered or approved by the commission;

(3) eligible nonresidential subscribers consist of only the following, located on census tracts designated as low- or moderate-income by the federal Financial Institutions Examination Council:

(i) grocery stores;

(ii) clinics;

(iii) child care centers;

(iv) food shelves;

(v) libraries;

(vi) Tribal Nations;

(vii) shelters;

(viii) schools that are not enrolled in any other solar incentive program; or

(ix) houses of worship;

(4) the owner does not run credit score or credit history checks on residential subscribers;

(5) the solar garden has a nameplate capacity of no more than three megawatts alternating current;

(6) the solar garden has no fewer than three subscribers and no subscriber accounts for more than 40 percent of the solar garden's capacity;

(7) 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

(8) the agreement between the owner of the solar garden and subscribers states that the owner must adequately publicize and convene at least one in-person meeting annually to provide an opportunity for subscribers to pose questions to the manager or owner.

Subd. 5. **New solar gardens must be low-income community solar gardens.** For applications submitted after August 1, 2023, the public utility subject to section 116C.779 must not approve interconnection of new solar gardens or renew existing solar gardens for inclusion in the community solar garden program unless the solar garden is accepted for inclusion in the low-income community solar garden program under subdivision 4.

Subd. 6. **Low-income community solar gardens; reporting.** The owner of a low-income community solar garden must include the following information in an annual report to the low-income community solar garden subscribers and the utility:

(1) a description of the process by which subscribers may provide input regarding 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;

(3) minutes from the most recent annual meeting; and

(4) the proportion of low- and moderate-income subscribers, and a description of how the information was collected from subscribers and verified.

Subd. 7. **Noncompliance.** A low-income community solar garden that has begun commercial operation must notify the commission in writing within 30 days if the solar garden is not in compliance with subdivision 4, and must comply within 12 months or the commission must revoke the solar garden's participation in the program. Nothing in this subdivision prevents an owner from reapplying to participate in the program after revocation.

Sec. 17. Minnesota Statutes 2022, section 216B.1645, subdivision 4, is amended to read:

Subd. 4. ~~Settlement with Mdewakanton Dakota Tribal Council at~~ **Payments to the Prairie Island Indian Community.** (a) The commission shall approve a rate schedule providing for the automatic adjustment of charges to recover the costs or expenses of a settlement between the public utility that owns the Prairie Island nuclear generation facility and the ~~Mdewakanton Dakota Tribal Council~~ Prairie Island Indian Community at Prairie Island, resolving outstanding disputes regarding the provisions of Laws 1994, chapter 641, article 1, section 4. The settlement must provide for

annual payments, not to exceed \$2,500,000 annually, by the public utility to the Prairie Island Indian Community, to be used for, among other purposes, acquiring ~~up to 1,500 contiguous or noncontiguous acres of land in Minnesota within 50 miles of the tribal community's reservation at Prairie Island~~ to be taken into trust by the federal government for the benefit of the tribal community for housing and other residential purposes. The legislature acknowledges that the intent to purchase land by the tribe for relocation purposes is part of the settlement agreement and Laws 2003, First Special Session chapter 11. However, the state, through the governor, reserves the right to support or oppose any particular application to place land in trust status.

(b) In addition to other payments provided under this section, the commission shall approve a rate schedule providing for the automatic adjustment of charges to recover payments under this paragraph. The public utility that owns the Prairie Island nuclear generation facility must make annual payments to the Prairie Island Indian Community for each dry cask or container containing spent fuel that is located at the Prairie Island power plant for as long as the dry casks containing spent fuel are stored at the Prairie Island Independent Spent Fuel Storage Installation. The payment per dry cask required under this section is \$50,000 for each dry cask or container.

(c) In addition to other payments provided under this section, the commission shall approve a rate schedule providing for the automatic adjustment of charges to recover payments under this paragraph. The public utility that owns the Prairie Island nuclear generation facility must make an annual lump sum payment to the Prairie Island Indian Community in the amount of \$7,500,000 for each year the plant is in licensed operation.

(d) Paragraphs (b) and (c) apply only if the public utility that owns the Prairie Island nuclear generation facility enters into a new or amended settlement agreement with the Prairie Island Indian Community after the effective date of this section that resolves outstanding disputes regarding the extended operation of the Prairie Island nuclear generation facility. Payments required under those paragraphs are required only if and to the extent that they are required under the terms of the settlement. Payments made under this subdivision may be used by the Prairie Island Indian Community for any purpose benefitting the Prairie Island Indian Community.

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

Sec. 18. Minnesota Statutes 2022, section 216B.1691, is amended by adding a subdivision to read:

Subd. 2h. **Distributed solar energy standard.** (a) In addition to the other requirements of this section, for the public utility subject to section 116C.779, at least three percent of the utility's total retail electric sales to customers in Minnesota by the end of 2030 must be generated by solar photovoltaic devices:

(1) with a nameplate capacity of ten megawatts or less connected to the utility's distribution system;

(2) that are located in the service territory of the public utility; and

(3) that were constructed or procured after August 1, 2023.

(b) Generation with a nameplate capacity of 100 kilowatts or more does not count toward compliance with the standard established in this subdivision unless the public utility verifies that construction trades workers who constructed the generation resource were all paid no less than the prevailing wage rate, as defined in section 177.42.

(c) The public utility subject to section 116C.779 may own no more than 30 percent of the solar photovoltaic capacity used to satisfy the requirements of this subdivision.

(d) Compensation for solar photovoltaic projects procured to satisfy the standard established in this subdivision must be determined based on a competitive procurement process and standard contracts approved by the commission.

(e) After January 1, 2031, the commission may use the authority in subdivision 2b to increase or decrease the standard obligation established in paragraph (a). Prior to that date, the commission may modify or delay the implementation of that standard obligation, in whole or in part, in accordance with subdivision 2b.

(f) An integrated distribution plan filed by a utility subject to this subdivision must describe investments in the distribution grid that facilitate the interconnection of sufficient distribution-connected solar energy to fulfill the requirements of this subdivision.

Sec. 19. Minnesota Statutes 2022, section 216B.17, subdivision 1, is amended to read:

Subdivision 1. **Investigation.** On ~~its~~ the commission's own motion or upon a complaint made against any public utility; by the governing body of any political subdivision, by another public utility, by the department, ~~or~~ by any 50 consumers of ~~the~~ a particular utility, or by a complainant under section 216B.172 that any of the rates, tolls, tariffs, charges, or schedules or any joint rate or any regulation, measurement, practice, act, or omission affecting or relating to the production, transmission, delivery, or furnishing of natural gas or electricity or any service in connection therewith is in any respect unreasonable, insufficient, or unjustly discriminatory, or that any service is inadequate or cannot be obtained, the commission shall proceed, with notice, to make such investigation as it may deem necessary. The commission may dismiss any complaint without a hearing if in its opinion a hearing is not in the public interest.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to any complaint filed with the commission on or after that date.

Sec. 20. **[216B.172] CONSUMER DISPUTES.**

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

(b) "Appeal" means a request a complainant files with the commission to review and make a final decision regarding the resolution of the complainant's complaint by the consumer affairs office.

(c) "Complainant" means an individual residential customer who files with the consumer affairs office a complaint against a public utility.

(d) "Complaint" means an allegation submitted to the consumer affairs office by a complainant that a public utility's action or practice regarding billing or terms and conditions of service:

- (1) violates a statute, rule, tariff, service contract, or other provision of law;
- (2) is unreasonable; or
- (3) has harmed or, if not addressed, harms a complainant.

Complaint does not include an objection to or a request to modify any natural gas or electricity rate contained in a tariff that has been approved by the commission. A complaint under this section is an informal complaint under Minnesota Rules, chapter 7829.

(e) "Consumer affairs office" means the staff unit of the commission that is organized to receive and respond to complaints.

(f) "Informal proceeding" has the meaning given in Minnesota Rules, part 7829.0100, subpart 8.

(g) "Public assistance" has the meaning given in section 550.37, subdivision 14.

(h) "Public utility" has the meaning given in section 216B.02, subdivision 4.

Subd. 2. **Complaint resolution procedure.** A complainant must first attempt to resolve a dispute with a public utility by filing a complaint with the consumer affairs office. The consumer affairs office must: (1) notify the complainant of the resolution of the complaint; and (2) provide written notice of (i) the complainant's right to appeal the resolution to the commission, and (ii) the steps the complainant may take to appeal the resolution. Upon request, the consumer affairs office must provide to the complainant a written notice containing the substance of and basis for the resolution. Nothing in this section affects any other rights existing under this chapter or other law.

Subd. 3. **Appeal; final commission decision.** (a) If a complainant is not satisfied with the resolution of a complaint by the consumer affairs office, the complainant may file an appeal with the commission requesting that the commission make a final decision on the complaint. The commission's response to an appeal filed under this subdivision must comply with the notice requirements under section 216B.17, subdivisions 2 to 5.

(b) Upon the commission's receipt of an appeal filed under paragraph (a), the chair of the commission or a subcommittee delegated under section 216A.03, subdivision 8, to review the resolution of the complaint must decide whether the complaint be:

- (1) dismissed because there is no reasonable basis on which to proceed;
- (2) resolved through an informal commission proceeding; or
- (3) referred to the Office of Administrative Hearings for a contested case proceeding under chapter 14.

A decision made under this paragraph must be provided in writing to the complainant and the public utility.

(c) If the commission decides that the complaint be resolved through an informal proceeding before the commission or referred to the Office of Administrative Hearings for a contested case proceeding, the executive secretary must issue any procedural schedules, notices, or orders required to initiate an informal proceeding or a contested case.

(d) The commission's dismissal of an appeal request or a decision rendered after conducting an informal proceeding is a final decision constituting an order or determination of the commission.

Subd. 4. **Judicial review.** Notwithstanding section 216B.27, a complainant may seek judicial review in district court of an adverse final decision under subdivision 3, paragraph (b), clause (1) or (2). Judicial review of the commission's decision in a contested case referred under subdivision 3, paragraph (b), clause (3), is governed by chapter 14.

Subd. 5. **Right to service during pendency of dispute.** A public utility must continue or promptly restore service to a complainant during the pendency of an administrative or judicial procedure pursued by a complainant under this section, provided that the complainant:

(1) agrees to enter into a payment agreement under section 216B.098, subdivision 3;

(2) posts the full disputed payment in escrow;

(3) demonstrates receipt of public assistance or eligibility for legal aid services; or

(4) demonstrates the complainant's household income is at or below 50 percent of the median income in Minnesota.

Subd. 6. **Rulemaking authority.** The commission may adopt rules to carry out the purposes of this section.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to any complaint filed with the commission on or after that date.

Sec. 21. Minnesota Statutes 2022, 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 percent of all energy needs from both new and refurbished generating facilities through a combination of conservation and renewable energy resources.

(d) A public utility must include distributed energy resources among the options considered in the public utility's resource plan filing.

Sec. 22. Minnesota Statutes 2022, section 216B.62, subdivision 3b, is amended to read:

Subd. 3b. **Assessment for department regional and national duties.** ~~(a)~~ In addition to other assessments in subdivision 3, the department may assess up to ~~\$500,000~~ \$1,000,000 per fiscal year to perform the duties under section 216A.07, subdivision 3a, and to conduct analysis that assesses energy grid reliability at state, regional, and national levels. 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.

~~(b) By February 1, 2023, the commissioner of commerce must submit a written report to the chairs and ranking minority members of the legislative committees with primary jurisdiction over energy policy. The report must describe how the department has used utility grid assessment funding under paragraph (a) and must explain the impact the grid assessment funding has had on grid reliability in Minnesota.~~

~~(c) This subdivision expires June 30, 2023.~~

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

Sec. 23. **[216B.631] COMPENSATION FOR PARTICIPANTS IN PROCEEDINGS.**

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

(b) "Participant" means a person who files comments or appears in a commission proceeding concerning one or more public utilities, excluding public hearings held in contested cases and commission proceedings conducted to receive general public comments.

(c) "Party" means a person by or against whom a proceeding before the commission is commenced or a person permitted to intervene in a proceeding, other than public hearings, concerning one or more public utilities.

(d) "Proceeding" means:

(1) a rate change proceeding under section 216B.16, including a request to withdraw, defer, or modify a petition to change rates;

(2) a proceeding in which the commission considers a utility request for cost recovery through general rates or riders;

(3) a proceeding in which the commission considers a determination related to ratepayer protections, service quality, or disconnection policies and practices, including but not limited to utility compliance with the requirements of sections 216B.091 to 216B.0993;

(4) a proceeding in which the commission considers determinations directly related to low-income affordability programs, including but not limited to utility compliance with the requirements of section 216B.16, subdivisions 14, 15, and 19, paragraph (a), clause (3);

(5) a proceeding related to the design or approval of utility tariffs or rates;

(6) a proceeding related to utility performance measures or incentives, including but not limited to proceedings under sections 216B.16, subdivision 19, paragraph (h), 216B.167, and 216B.1675;

(7) proceedings related to distribution system planning and grid modernization, including but not limited to proceedings in compliance with the requirements in section 216B.2425, subdivision 2, paragraph (e);

(8) investigations or inquiries initiated by the commission or the Department of Commerce; or

(9) proceedings related to utility pilot programs in which the commission considers a proposal with a proposed cost of at least \$5,000,000.

(e) "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:

(i) is exempt from taxation under section 501(c)(3) of the Internal Revenue Code;

(ii) is incorporated or organized in Minnesota;

(iii) is governed under chapter 317A or section 322C.1101; and

(iv) the commission determines under subdivision 3, paragraph (c), would suffer financial hardship if not compensated for the nonprofit organization's participation in the applicable proceeding;
or

(2) a Tribal government of a federally recognized Indian Tribe that is located in Minnesota.

Subd. 3. **Compensation; conditions.** (a) The commission may order a public utility to compensate all or part of a participant's reasonable costs incurred to participate in a proceeding before the commission if the participant is eligible under subdivision 2 and the commission finds:

(1) that the participant has materially assisted the commission's deliberation; and

(2) if the participant is a nonprofit organization, that the participant would suffer financial hardship if the nonprofit organization's participation in the proceeding was not compensated.

(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 part of the record;

(5) the participant was active in any stakeholder process included in 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 determining whether a nonprofit participant has demonstrated that a lack of compensation would present financial hardship, the commission must find that the nonprofit participant:

(1) had an average annual payroll expense less than \$600,000 for participation in commission proceedings over the previous three years; and

(2) has fewer than 30 full-time equivalent employees.

(d) In reviewing a compensation request, the commission must consider whether the costs presented in the participant's claim are reasonable. If the commission determines that an eligible participant materially assisted the commission's deliberation, the commission may award all or part of the requested compensation, up to the maximum amounts provided under subdivision 4.

Subd. 4. **Compensation; amount.** (a) Compensation must not exceed \$35,000 for a single participant in any proceeding, except that:

(1) if a proceeding extends longer than 12 months, a participant may request and be awarded compensation of up to \$35,000 for costs incurred in each calendar year; and

(2) in a proceeding that has been referred to the Office of Administrative Hearings for a contested case proceeding, a participant may request and be awarded up to \$75,000.

(b) No single participant may be awarded more than \$175,000 under this section in a single calendar year.

(c) Total compensation awarded to all participants must not exceed \$125,000 in any single proceeding per-calendar year, excluding proceedings that have been referred to the Office of Administrative Hearings for contested case proceedings.

(d) Compensation requests from joint participants must be presented as a single request.

(e) Notwithstanding paragraphs (a), (b), and (c), 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 at least \$300,000,000 but less than \$900,000,000 annual gross operating revenue in Minnesota;

(3) \$375,000, for a public utility with at least \$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 \$2,000,000,000 or more annual gross operating revenue in Minnesota.

(f) When requests for compensation from any public utility approach the limits established in paragraphs (c) or (e), the commission may give priority to requests from participants that received less than \$150,000 in total compensation during the previous two years and from participants who represent residential ratepayers, particularly those residential ratepayers who the participant can demonstrate have been underrepresented in past commission proceedings.

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, if applicable;

(3) the name and docket number of the proceeding for which compensation is requested;

(4) for a nonprofit participant, evidence supporting the nonprofit organization's eligibility for compensation under the financial hardship test under subdivision 3, paragraph (c);

(5) amounts of compensation awarded to the participant under this section during the current year and any pending requests for compensation, itemized by docket;

(6) an itemization of the participant's costs, not including overhead costs;

(7) participant revenues dedicated for the proceeding;

(8) the total compensation request; and

(9) a narrative describing the unique contribution made to the proceeding by the participant.

(c) A participant must comply with reasonable requests for information by the commission and other parties or participants. A participant must reply to information requests within ten calendar days of the date the request is received, unless doing so 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) A party or participant objecting to a request for compensation must, within 30 days after service of the request for compensation, file a response and 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) The requesting participant may file a reply with the commission within 15 days after a response is filed under paragraph (d). 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 120 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 30 days upon the request of a participant or on the commission's own initiative.

(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 full 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 must 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.

Subd. 7. **Report.** By July 1, 2026, the commission must report to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over energy policy on the operation of this section. The report must include but is not limited to:

(1) the amount of compensation paid each year by each utility;

(2) each recipient of compensation, the commission dockets in which compensation was awarded, and the compensation amounts; and

(3) the impact of the participation of compensated participants.

Subd. 8. **Sunset.** This section expires on July 1, 2028.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to any proceeding in which the commission has not issued a final order as of that date.

Sec. 24. Minnesota Statutes 2022, section 216C.02, subdivision 1, is amended to read:

Subdivision 1. **Powers.** (a) The commissioner may:

(1) apply for, receive, and spend money received from federal, municipal, county, regional, and other government agencies and private sources;

(2) apply for, accept, and disburse grants and other aids from public and private sources;

(3) contract for professional services if work or services required or authorized to be carried out by the commissioner cannot be satisfactorily performed by employees of the department or by another state agency;

(4) enter into interstate compacts to carry out research and planning jointly with other states or the federal government when appropriate;

(5) upon reasonable request, distribute informational material at no cost to the public; and

(6) enter into contracts for the performance of the commissioner's duties with federal, state, regional, metropolitan, local, and other agencies or units of government and educational institutions, including the University of Minnesota, without regard to the competitive bidding requirements of chapters 16A and 16C.

(b) The commissioner shall collect information on conservation and other energy-related programs carried on by other agencies, by public utilities, by cooperative electric associations, by municipal power agencies, by other fuel suppliers, by political subdivisions, and by private organizations. Other agencies, cooperative electric associations, municipal power agencies, and political subdivisions shall cooperate with the commissioner by providing information requested by the commissioner. The commissioner may by rule require the submission of information by other program operators. The commissioner shall make the information available to other agencies and to the public and, as necessary, shall recommend to the legislature changes in the laws governing conservation and other energy-related programs to ensure that:

(1) expenditures on the programs are adequate to meet identified needs;

- (2) the needs of low-income energy users are being adequately addressed;
- (3) duplication of effort is avoided or eliminated;
- (4) a program that is ineffective is improved or eliminated; and
- (5) voluntary efforts are encouraged through incentives for their operators.

(c) By January 15 of each year, the commissioner shall report to the legislature on the projected amount of federal money likely to be available to the state during the next fiscal year, including grant money and money received by the state as a result of litigation or settlements of alleged violations of federal petroleum-pricing regulations. The report must also estimate the amount of money projected as needed during the next fiscal year to finance a level of conservation and other energy-related programs adequate to meet projected needs, particularly the needs of low-income persons and households, and must recommend the amount of state appropriations needed to cover the difference between the projected availability of federal money and the projected needs.

(d) By January 15 of each year, the commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over energy finance the following information for each account in the special revenue fund created in this chapter:

- (1) the unobligated balance in the account from the most recent forecast listed separately by funding source;
- (2) all expenditures, including grants and administrative costs over the last two fiscal years; and
- (3) the date on which unobligated balances expire.

Sec. 25. Minnesota Statutes 2022, section 216C.264, is amended by adding a subdivision to read:

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

(b) "Low-income conservation program" means a utility program that offers energy conservation services to low-income households under sections 216B.2403, subdivision 5, and 216B.241, subdivision 7.

(c) "Preweatherization measure" has the meaning given in section 216B.2402, subdivision 20.

(d) "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 reduce energy use.

(e) "Weatherization assistance services" means the energy measures installed in households under the weatherization assistance program.

Sec. 26. Minnesota Statutes 2022, section 216C.264, is amended by adding a subdivision to read:

Subd. 1b. **Establishment; purpose.** A preweatherization program is established in the department. The purpose of the program is to provide grants for preweatherization services, as defined under section 216B.2402, subdivision 20, in order to expand the breadth and depth of services provided to income-eligible households in Minnesota.

Sec. 27. Minnesota Statutes 2022, section 216C.264, is amended by adding a subdivision to read:

Subd. 1c. **Prewetherization account.** (a) A preweatherization account is created as a separate account in the special revenue fund of the state treasury. The account consists of money provided by law, donated, allotted, transferred, or otherwise provided to the account. Earnings, including 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 and remains in the account until expended. The commissioner must manage the account.

(b) Money in the account is appropriated to the commissioner to pay for (1) grants issued under the program, and (2) the reasonable costs incurred by the commissioner to administer the program.

Sec. 28. Minnesota Statutes 2022, section 216C.264, subdivision 5, is amended to read:

Subd. 5. **Grant allocation.** (a) The commissioner must distribute supplementary state grants in a manner consistent with the goal of producing the maximum number of weatherized units. Supplementary state grants are provided primarily for the payment of additional labor costs for the federal weatherization program, and as an incentive for the increased production of weatherized units. to pay for and may be used to:

(1) address physical deficiencies in a residence that increase heat loss, including deficiencies that prohibit the residence from being eligible to receive federal weatherization assistance;

(2) install eligible preweatherization measures established by the commissioner, as required under section 216B.241, subdivision 7, paragraph (g);

(3) increase the number of weatherized residences;

(4) conduct outreach activities to make income-eligible households aware of available weatherization services, to assist applicants in filling out applications for weatherization assistance, and to provide translation services when necessary;

(5) enable projects in multifamily buildings to proceed even if the project cannot comply with the federal requirement that projects must be completed within the same federal fiscal year in which the project is begun;

(6) expand weatherization training opportunities in existing and new training programs;

(7) pay additional labor costs for the federal weatherization program; and

(8) provide an incentive for the increased production of weatherized units.

(b) Criteria for the allocation of used to allocate state grants to local agencies include existing local agency production levels, emergency needs, and the potential for maintaining to maintain or increasing increase acceptable levels of production in the area.

(c) An eligible local agency may receive advance funding for 90 days' production, but thereafter must receive grants solely on the basis of the program criteria under this subdivision.

Sec. 29. Minnesota Statutes 2022, section 216C.264, is amended by adding a subdivision to read:

Subd. 7. **Supplemental weatherization assistance program.** The commissioner must provide grants to weatherization service providers to address physical deficiencies and install weatherization and preweatherization measures in residential buildings occupied by eligible low-income households.

Sec. 30. Minnesota Statutes 2022, section 216C.264, is amended by adding a subdivision to read:

Subd. 8. **Training grants program.** (a) The commissioner must establish a weatherization training grant program to award grants through a competitive process to educational institutions, certified training centers, labor organizations, and nonprofits to assist with the costs associated with training and developing programs for careers in the weatherization industry.

(b) In order to receive grant funds, a written application must be submitted to the commissioner on a form developed by the commissioner.

(c) When awarding grants under this subdivision, the commissioner must prioritize applications that:

(1) provide the highest quality training to prepare for in-demand careers;

(2) train workers to provide weatherization services that meet federal Building Performance Institute certification requirements or Standard Work Specification requirements, as required by the program; and

(3) leverage nonstate funds or in-kind contributions.

Sec. 31. [216C.331] ENERGY BENCHMARKING.

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

(b) "Aggregated customer energy use data" means customer energy use data that is combined into one collective data point per time interval. Aggregated customer energy use data is data with any unique identifiers or other personal information removed that a qualifying utility collects and aggregates in at least monthly intervals for an entire building on a covered property.

(c) "Benchmark" means to electronically input into a benchmarking tool the total energy use data and other descriptive information about a building that is required by a benchmarking tool.

(d) "Benchmarking information" means data related to a building's energy use generated by a benchmarking tool, and other information about the building's physical and operational characteristics. Benchmarking information includes but is not limited to the building's:

(1) address;

(2) owner and, if applicable, the building manager responsible for operating the building's physical systems;

(3) total floor area, expressed in square feet;

(4) energy use intensity;

(5) greenhouse gas emissions; and

(6) energy performance score comparing the building's energy use with that of similar buildings.

(e) "Benchmarking tool" means the United States Environmental Protection Agency's Energy Star Portfolio Manager tool or an equivalent tool determined by the commissioner.

(f) "Covered property" means any property that is served by an investor-owned utility in the metropolitan area, as defined in section 473.121, subdivision 2, or in any city outside the metropolitan area with a population of over 50,000 residents served by a municipal energy utility or investor-owned utility, and that has one or more buildings containing in sum 50,000 gross square feet or greater. Covered property does not include:

(1) a residential property containing fewer than five dwelling units;

(2) a property that is: (i) classified as manufacturing under the North American Industrial Classification System; (ii) an energy-intensive trade-exposed customer, as defined in section 216B.1696; (iii) an electric power generation facility; (iv) a mining facility; or (v) otherwise an industrial building incompatible with benchmarking in the benchmarking tool;

(3) an agricultural building; or

(4) a multitenant building that is served by a utility that cannot supply aggregated customer usage data, and other property types that do not meet the purposes of this section, as determined by the commissioner.

(g) "Customer energy use data" means data collected from the utility customer meters that reflect the quantity, quality, or timing of customers' usage.

(h) "Energy" means electricity, natural gas, steam, or another product used to: (1) provide heating, cooling, lighting, or water heating; or (2) power other end uses in a building.

(i) "Energy performance score" means a numerical value from one to 100 that the Energy Star Portfolio Manager tool calculates to rate a building's energy efficiency against that of comparable buildings nationwide.

(j) "Energy Star Portfolio Manager" means an interactive resource management tool developed by the United States Environmental Protection Agency that (1) enables the periodic entry of a building's energy use data and other descriptive information about a building, and (2) rates a building's energy efficiency against that of comparable buildings nationwide.

(k) "Energy use intensity" means the total annual energy consumed in a building divided by the building's total floor area.

(l) "Financial distress" means a covered property that, at the time benchmarking is conducted:

(1) is the subject of a qualified tax lien sale or public auction due to property tax arrearages;

(2) is controlled by a court-appointed receiver based on financial distress;

(3) is owned by a financial institution through default by the borrower;

(4) has been acquired by deed in lieu of foreclosure; or

(5) has a senior mortgage that is subject to a notice of default.

(m) "Local government" means a statutory or home rule municipality or county.

(n) "Owner" means:

(1) an individual or entity that possesses title to a covered property; or

(2) an agent authorized to act on behalf of the covered property owner.

(o) "Qualifying utility" means a utility serving the covered property, including:

(1) an electric or gas utility, including:

(i) an investor-owned electric or gas utility; or

(ii) a municipally owned electric or gas utility;

(2) a natural gas supplier with five or more active commercial connections, accounts, or customers in the state; or

(3) a district steam, hot water, or chilled water provider.

(p) "Tenant" means a person that occupies or holds possession of a building or part of a building or premises pursuant to a lease agreement.

(q) "Total floor area" means the sum of gross square footage inside a building's envelope, measured between the outside exterior walls of the building. Total floor area includes covered parking structures.

(r) "Utility customer" means the building owner or tenant listed on the utility's records as the customer liable for payment of the utility service or additional charges assessed on the utility account.

Subd. 2. **Establishment.** The commissioner must establish and maintain a building energy benchmarking program. The purpose of the program is to:

(1) make a building's owners, tenants, and potential tenants aware of (i) the building's energy consumption levels and patterns, and (ii) how the building's energy use compares with that of similar buildings nationwide; and

(2) enhance the likelihood that an owner adopts energy conservation measures in the owner's building as a way to reduce energy use, operating costs, and greenhouse gas emissions.

Subd. 3. **Classification of covered properties.** For the purposes of this section, a covered property is classified as follows:

<u>Class</u>	<u>Total Floor Area (square feet)</u>
<u>1</u>	<u>100,000 or more</u>
<u>2</u>	<u>50,000 to 99,999</u>

Subd. 4. **Benchmarking requirement.** (a) An owner must annually benchmark all covered property owned as of December 31 in conformity with the schedule in subdivision 7. Energy use data must be compiled by:

(1) obtaining the data from the utility providing the energy; or

(2) reading a master meter.

(b) Before entering information in a benchmarking tool, an owner must run all automated data quality assurance functions available within the benchmarking tool and must correct all data identified as missing or incorrect.

(c) An owner who becomes aware that any information entered into a benchmarking tool is inaccurate or incomplete must amend the information in the benchmarking tool within 30 days of the date the owner learned of the inaccuracy.

(d) Nothing in this subdivision prohibits an owner of property that is not a covered property from voluntarily benchmarking a property under this section.

Subd. 5. **Exemption by individual building.** (a) The commissioner may exempt an owner of a covered property from the requirements of subdivision 4 if the owner provides evidence satisfactory to the commissioner that the covered property:

(1) is presently experiencing financial distress;

(2) has been less than 50 percent occupied during the previous calendar year;

(3) does not have a certificate of occupancy or temporary certificate of occupancy for the full previous calendar year;

(4) was issued a demolition permit during the previous calendar year that remains current; or

(5) received no energy services for at least 30 days during the previous calendar year.

(b) An exemption granted under this subdivision applies only to a single calendar year. An owner must reapply to the commissioner each year an extension is sought.

(c) Within 30 days of the date an owner makes a request under this paragraph, a tenant of a covered property subject to this section must provide the owner with any information regarding energy use of the tenant's rental unit that the property owner cannot otherwise obtain and that is needed by the owner to comply with this section. The tenant must provide the information required under this paragraph in a format approved by the commissioner.

Subd. 6. **Exemption by other government benchmarking program.** An owner is exempt from the requirements of subdivision 4 for a covered property if the property is subject to a benchmarking requirement by the state, a city, or other political subdivision with a benchmarking requirement that the commissioner determines is equivalent or more stringent, as determined under subdivision 11, paragraph (b), than the benchmarking requirement established in this section. The exemption under this subdivision applies in perpetuity unless or until the benchmarking requirement is changed or revoked and the commissioner determines the benchmarking requirement is no longer equivalent nor more stringent.

Subd. 7. **Benchmarking schedule.** (a) An owner must annually benchmark each covered property for the previous calendar year according to the following schedule:

(1) all Class 1 properties by June 1, 2025, and by every June 1 thereafter; and

(2) all Class 2 properties by June 1, 2026, and by every June 1 thereafter.

(b) Beginning June 1, 2025, for Class 1 properties, and June 1, 2026, for Class 2 properties, an owner who is selling a covered property must provide the following to the new owner at the time of sale:

(1) benchmarking information for the most recent 12-month period, including monthly energy use by source; or

(2) ownership of the digital property record in the benchmarking tool through an online transfer.

Subd. 8. **Utility data requirements.** (a) In implementing this section, a qualifying utility shall only aggregate customer energy use data of covered properties, and on or before January 1, 2025, a qualifying utility shall:

(1) establish an aggregation standard whereby:

(i) an aggregated customer energy use data set may include customer energy use data from no fewer than four customers. A single customer's energy use must not constitute more than 50 percent of total energy consumption for the requested data set; and

(ii) customer energy use data sets containing three or fewer customers or with a single customer's energy use constituting more than 50 percent of total energy consumption may be provided upon the written consent of:

(A) all customers included in the requested data set, in cases of three or fewer customers; or

(B) any customer constituting more than 50 percent of total energy consumption for the requested data set; and

(2) prepare and make available customer energy use data and aggregated customer energy use data upon the request of an owner.

(b) Customer energy use data that a qualifying utility provides an owner pursuant to this subdivision must be:

(1) available on, or able to be requested through, an easily navigable web portal or online request form using up-to-date standards for digital authentication;

(2) provided to the owner within 30 days after receiving the owner's valid written or electronic request;

(3) provided for at least 24 consecutive months of energy consumption or as many months of consumption data that are available if the owner has owned the building for less than 24 months;

(4) directly uploaded to the owner's benchmarking tool account, delivered in the spreadsheet template specified by the benchmarking tool, or delivered in another format approved by the commissioner;

(5) provided to the owner on at least an annual basis until the owner revokes the request for energy use data or sells the covered property; and

(6) provided in monthly intervals, or the shortest available intervals based in billing.

(c) Data necessary to establish, utilize, or maintain information in the benchmarking tool under this section may be collected or shared as provided by this section and are considered public data whether or not the data have been aggregated.

(d) Notwithstanding any other provision of law, a qualifying utility shall not aggregate or anonymize customer energy use data of any customer exempted by the commissioner under section 216B.241 from contributing to investments and expenditures made by a qualifying utility under an energy and conservation optimization plan, unless the customer provides written consent to the qualifying utility.

(e) Except as provided in paragraph (d), qualifying utilities may aggregate the customer energy use data of properties with a total floor area of less than 50,000 square feet if the property otherwise meets the definition of a covered property.

Subd. 9. Data collection and management. (a) The commissioner must:

(1) collect benchmarking information generated by a benchmarking tool and other related information for each covered property;

(2) provide technical assistance to owners entering data into a benchmarking tool;

(3) collaborate with the Department of Revenue to collect the data necessary for establishing the covered property list annually; and

(4) provide technical guidance to utilities in the establishment of data aggregation and access tools.

(b) Upon request of the commissioner, a county assessor shall provide readily available property data necessary for the development of the covered property list, including but not limited to gross floor area, property type, and owner information by January 15 annually.

(c) The commissioner must:

(1) rank benchmarked covered properties in each property class from highest to lowest performance score or, if a performance score is unavailable for a covered property, from lowest to highest energy use intensity;

(2) divide covered properties in each property class into four quartiles based on the applicable measure in clause (1);

(3) assign four stars to each covered property in the quartile of each property class with the highest performance scores or lowest energy use intensities, as applicable;

(4) assign three stars to each covered property in the quartile of each property class with the second highest performance scores or second lowest energy use intensities, as applicable;

(5) assign two stars to each covered property in the quartile of each property class with the third highest performance scores or third lowest energy use intensities, as applicable;

(6) assign one star to each covered property in the quartile of each property class with the lowest performance scores or highest energy use intensities, as applicable; and

(7) serve notice in writing to each owner identifying the number of stars assigned by the commissioner to each of the owner's covered properties.

Subd. 10. **Data disclosure to public.** (a) The commissioner must post on the department's website and update by December 1 annually the following information for the previous calendar year:

(1) annual summary statistics on energy use for all covered properties;

(2) annual summary statistics on energy use for all covered properties, aggregated by covered property class, as defined in subdivision 3, city, and county;

(3) the percentage of covered properties in each building class listed in subdivision 3 that are in compliance with the benchmarking requirements under subdivisions 4 to 7; and

(4) for each covered property, at a minimum, report the address, the total energy use, energy use intensity, annual greenhouse gas emissions, and an energy performance score, if available.

(b) The commissioner must post the information required under this subdivision for:

(1) all Class 1 properties by November 1, 2025, and by every November 1 thereafter; and

(2) all Class 2 properties by November 1, 2026, and by every November 1 thereafter.

Subd. 11. **Coordination with other benchmarking programs.** (a) The commissioner shall coordinate with any state agency or local government that implements an energy benchmarking program, including the coordination of reporting requirements.

(b) This section does not restrict a local government from adopting or implementing an ordinance or resolution that imposes more stringent benchmarking requirements. For purposes of this section, a local government benchmarking program is more stringent if the program requires:

(1) buildings to be benchmarked that are not required to be benchmarked under this section; or

(2) benchmarking of information that is not required to be benchmarked under this section.

(c) Benchmarking program requirements of local governments must:

(1) be at least as comprehensive in scope and application as the program operated under this section; and

(2) include annual enforcement of a penalty on covered properties that do not comply with the local government's benchmarking ordinance.

(d) Local governments must notify the commissioner of the local government's existing benchmarking ordinance requirements. Local governments must notify the commissioner of new, changed, or revoked ordinance requirements, which when made by December 31 would apply to the benchmarking schedule for the following year.

(e) The commissioner shall make available for local governments upon request all benchmarking data for covered properties within the local government's jurisdiction by December 1, annually.

Subd. 12. **Building performance disclosure to occupants.** The commissioner must provide disclosure materials for public display within a building to building owners, so that building owners can prominently display the performance of the building. The materials must include the number of stars assigned to the building by the commissioner under subdivision 9, paragraph (c), and a relevant explanation of the rating.

Subd. 13. **Notifications.** By March 1 each year, the commissioner must notify the owner of each covered property required to benchmark for the previous calendar year of the requirement to benchmark by June 1 of the current year.

Subd. 14. **Program implementation.** The commissioner may contract with an independent third party to implement any or all of the commissioner's duties required under this section. To implement the benchmarking program, the commissioner shall assist building owners to increase energy efficiency and reduce greenhouse gas emissions from the owners' buildings, including by providing outreach, training, and technical assistance to building owners to help the owners' buildings come into compliance with the benchmarking program.

Subd. 15. **Enforcement.** By June 15 each year, the commissioner must notify the owner of each covered property required to comply with this section that has failed to comply that the owner has until July 15 to come into compliance, unless the owner requests an extension, in which case the

owner has until August 15 to come into compliance. If an owner fails to comply with the requirements of this section by July 15 and fails to request an extension by that date, or is given an extension and fails to comply by August 15, the commissioner may impose a civil fine of \$1,000 on the owner. The commissioner may by rule increase the civil fine to adjust for inflation.

Subd. 16. **Recovery of expenses.** The commission shall allow a public utility to recover reasonable and prudent expenses of implementing this section under section 216B.16, subdivision 6b. The costs and benefits associated with implementing this section 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 under section 216B.16, subdivision 6c. 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 under section 216B.241, subdivision 1c, and in the financial incentive mechanism under section 216B.16, subdivision 6c.

EFFECTIVE DATE. This section is effective the day following final enactment, except that subdivision 15 is effective June 15, 2026.

Sec. 32. Minnesota Statutes 2022, section 216C.375, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purposes of this section and section 216C.376, the following terms have the meanings given them.

(b) "Developer" means an entity that installs a solar energy system on a school building that has been awarded a grant under this section.

(c) "Photovoltaic device" has the meaning given in section 216C.06, subdivision 16.

(d) "School" means: (1) a school that operates as part of an independent or special school district; (2) a Tribal contract school; or ~~(2)~~ (3) a state college or university that is under the jurisdiction of the Board of Trustees of the Minnesota State Colleges and Universities.

(e) "School district" means: (1) an independent or special school district; or (2) any other public school district deemed appropriate by the commissioner, provided that at a minimum the school owns the building and instruction for students occurs.

(f) "Solar energy system" means photovoltaic or solar thermal devices.

(g) "Solar thermal" has the meaning given to "qualifying solar thermal project" in section 216B.2411, subdivision 2, paragraph (d).

(h) "State colleges and universities" has the meaning given in section 136F.01, subdivision 4.

Sec. 33. Minnesota Statutes 2022, section 216C.375, subdivision 3, is amended to read:

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. The account consists of money provided by law, donated, allocated, transferred, or otherwise provided to the account. Earnings, including

interest, dividends, and any other earnings arising from the assets of the account, must be credited to the account.

(b) Money in the account is appropriated to the commissioner for the purposes of the program under this section. Except as otherwise provided in this paragraph, money deposited in the account remains in the account until expended. Any money that remains in the account on June 30, 2027, 2034, cancels to the general fund.

Sec. 34. Minnesota Statutes 2022, section 216C.375, subdivision 10, is amended to read:

Subd. 10. **Application deadline.** ~~No~~ An application ~~may~~ must not be submitted under this section after December 31, ~~2025~~ 2032.

Sec. 35. Minnesota Statutes 2022, section 216C.375, subdivision 11, is amended to read:

Subd. 11. **Reporting.** Beginning January 15, 2022, and each year thereafter until January 15, ~~2028~~ 2035, the commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over energy regarding: (1) grants and amounts awarded to schools under this section during the previous year; (2) financial assistance, including amounts per award, provided to schools under section 216C.376 during the previous year; and (3) any remaining balances available under this section and section 216C.376.

Sec. 36. **[216C.377] DISTRIBUTED ENERGY RESOURCES SYSTEM UPGRADE PROGRAM.**

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

(b) "Capacity constrained location" means a location on an electric utility's distribution system that the utility has reasonably determined requires significant distribution or network upgrades before additional distributed energy resources can interconnect.

(c) "DER Technical Planning Standard" means an engineering practice that limits the total aggregate distributed energy resource capacity that may interconnect to a particular location on the utility's distribution system.

(d) "Distributed energy resources" means distributed generation, as defined in section 216B.164, and energy storage systems, as defined in section 216B.2422.

(e) "Distribution upgrades" means the additions, modifications, and upgrades made to an electric utility's distribution system to facilitate interconnection of distributed energy resources.

(f) "Interconnection" means the process governed by section 216B.1611.

(g) "Net metered" has the meaning given in section 216B.164.

(h) "Network upgrades" means additions, modifications, and upgrades to the transmission system required at or beyond the point at which the distributed energy resource interconnects with an electric utility's distribution system to accommodate the interconnection of the distributed energy resource with the electric utility's distribution system. Network upgrades do not include distribution upgrades.

Subd. 2. **Establishment; purpose.** A distributed energy resources system upgrade program is established in the department. The purpose of the program is to provide funding to the utility subject to section 116C.779 to complete infrastructure investments necessary to enable electricity customers to interconnect distributed energy resources. The program must be designed to achieve the following goals to the maximum extent feasible:

(1) make upgrades at capacity constrained locations on the utility's distribution system that maximize the number and capacity of distributed energy resources projects with a capacity of up to 40 kilowatts alternating current that can be interconnected sufficient to serve projected demand;

(2) enable all distributed energy resources projects with a nameplate capacity of up to 40 kilowatts alternating current to be reviewed and approved by the utility within 43 business days;

(3) minimize interconnection barriers for electricity customers seeking to construct net metered facilities for on-site electricity use; and

(4) advance innovative solutions that can minimize the cost of distribution and network upgrades required for interconnection, including but not limited to energy storage, control technologies, smart inverters, distributed energy resources management systems, and other innovative technologies and programs.

Subd. 3. **Required plan.** (a) By November 1, 2023, the utility subject to section 116C.779 must file with the commissioner a plan for the distributed energy resources system upgrade program. The plan must contain, at a minimum:

(1) a description of how the utility proposes to use money in the distributed energy resources system upgrade program account to upgrade the utility's distribution system to maximize the number and capacity of distributed energy resources that can be interconnected sufficient to serve projected demand;

(2) the locations where the utility proposes to make investments under the program;

(3) the number and capacity of distributed energy resources projects the utility expects to interconnect as a result of the program;

(4) a plan for reporting on the program's outcomes; and

(5) any additional information required by the commissioner.

(b) The utility subject to section 116C.779 is prohibited from implementing the program until the commissioner approves the plan submitted under this subdivision. No later than March 31, 2024, the commissioner must approve a plan under this subdivision that the commissioner determines is in the public interest. Any proposed modifications to the plan approved under this subdivision must be approved by the commissioner.

Subd. 4. **Project priorities.** In developing the plan required by subdivision 3, the utility must prioritize making investments:

(1) at capacity constrained locations on the distribution grid;

(2) in communities with demonstrated customer interest in distributed energy resources, as measured by anticipated, pending, and completed interconnection applications; and

(3) in communities with a climate action plan, clean energy goal, or policies that:

(i) seek to mitigate the impacts of climate change on the city; or

(ii) reduce the city's contributions to the causes of climate change.

Subd. 5. **Eligible costs.** The commissioner may pay the following reasonable costs of the utility subject to section 116C.779 under a plan approved in accordance with subdivision 3 from money available in the distributed energy resources system upgrade program account:

(1) distribution upgrades and network upgrades;

(2) energy storage; control technologies, including but not limited to a distributed energy resources management system; or other innovative technology used to achieve the purposes of this section;

(3) pilot programs operated by the utility to implement innovative technology solutions; and

(4) costs incurred by the department to administer this section.

Subd. 6. **Capacity reserved.** The utility subject to section 116C.779 must reserve any increase in the DER Technical Planning Standard made available by upgrades paid for under this section for net metered facilities and distributed energy resources with a nameplate capacity of up to 40 kilowatts alternating current. The commissioner may modify the requirements of this subdivision when the commissioner finds doing so is in the public interest.

Subd. 7. **Establishment of account.** (a) A distributed energy resources system upgrade program account is established in the special revenue fund. The account consists of money provided by law, and any other money donated, allotted, transferred, or otherwise provided to the account. Earnings, including interest, dividends, and any other earnings arising from the assets of the account, must be credited to the account. Earnings remaining in the account at the end of a fiscal year do not cancel to the general fund or renewable development account but remain in the account until expended.

(b) Money in the account is appropriated to the commissioner for eligible expenditures under this section.

Subd. 8. **Reporting of certain incidents.** The utility subject to section 116C.779 must report to the commissioner within 60 days if any distributed energy resources project with a capacity of up to 40 kilowatts alternating current is unable to interconnect due to safety, reliability, or the cost of distribution or network upgrades required at a location for which upgrade funding was provided under this program. The utility must make available to the commissioner all engineering analyses, studies, and information related to any such instances. The commissioner may modify or waive this requirement after December 31, 2025.

Sec. 37. [216C.378] SOLAR GRANT PROGRAM; PUBLIC BUILDINGS.

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

(b) "Cooperative electric association" means a cooperative association organized under chapter 308A for the purpose of providing rural electrification at retail.

(c) "Developer" means an entity that applies for a grant on behalf of a public building under this section to install a solar energy generating system on the public building.

(d) "Local unit of government" means:

(1) a county, statutory or home rule charter city, town, municipal utility, or other local government jurisdiction, excluding a school district eligible to receive financial assistance under section 216C.375 or 216C.376; or

(2) a federally recognized Indian Tribe in Minnesota.

(e) "Municipal electric utility" means a utility that (1) provides electric service to retail customers in Minnesota, and (2) is governed by a city council or a local utilities commission.

(f) "Public building" means:

(1) a building owned and operated by a local unit of government; or

(2) a building owned by a federally recognized Indian Tribe in Minnesota whose primary purpose is Tribal government operations.

(g) "Solar energy generating system" has the meaning given in section 216E.01, subdivision 9a.

Subd. 2. **Establishment; purpose.** A solar on public buildings grant program is established in the department. The purpose of the program is to provide grants to stimulate the installation of solar energy generating systems on public buildings.

Subd. 3. **Establishment of account.** A solar on public buildings grant program account is established in the special revenue fund. Any money received from state resources for the purposes of this section must be transferred to the commissioner of commerce and credited to the account. Earnings, including interest, dividends, and any other earnings arising from the assets of the account, must be credited to the account. Earnings remaining in the account at the end of a fiscal year do not cancel to the general fund or renewable development account but remain in the account until expended. The commissioner must manage the account.

Subd. 4. **Appropriation; expenditures.** Money in the account established under subdivision 3 is appropriated to the commissioner for the purposes of this section and must be used only:

(1) for grant awards made under this section; and

(2) to pay the reasonable costs of the department to administer this section.

Subd. 5. **Eligible system.** (a) A grant may be awarded to a local unit of government under this section only if the solar energy generating system that is the subject of the grant:

(1) is installed (i) on or adjacent to a public building that consumes the electricity generated by the solar energy generating system, and (ii) on property within the service territory of the utility currently providing electric service to the public building; and

(2) has a capacity that does not exceed the lesser of 40 kilowatts or 120 percent of the average annual electricity consumption, measured over the most recent three calendar years, of the public building at which the solar energy generating system is installed.

(b) A public building that receives a rebate or other financial incentive under section 216B.241 for a solar energy generating system is eligible for a grant under this section for the same solar energy generating system.

(c) Before filing an application for a grant under this section, a local unit of government or public building that is served by a municipal electric utility or cooperative electric association must inform the municipal electric utility or cooperative electric association of the local unit of government's or public building's intention to do so.

Subd. 6. **Application process.** (a) The commissioner must issue a request for proposals to utilities, local units of government, and developers who may wish to apply for a grant under this section on behalf of a public building.

(b) A utility or developer must submit an application to the commissioner on behalf of a public building 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 generating system and the amount of electricity that is expected to be generated;

(2) the current energy demand of the public building on which the solar energy generating system is to be installed, information regarding any distributed energy resource that currently provides electricity to the public building, and the size of the public building's subscription to a community solar garden, if applicable;

(3) information sufficient to estimate the energy and monetary savings that are projected to result from installation of the solar energy generating system over the system's useful life;

(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 local unit of government and the utility or developer that includes provisions addressing responsibility for maintenance, removal, and disposal of the solar energy generating system; and

(6) if the applicant is other than the utility providing electric service to the public building at which the solar energy generating system is to be installed, a written statement or memorandum of

understanding from that utility that the proposed financing arrangement presents no foreseeable issues that would prevent interconnection of the solar energy generating system.

(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 under this section.

Subd. 7. **Energy conservation review.** At the commissioner's request, a local unit of government awarded a grant under this section must provide the commissioner with information regarding energy conservation measures implemented at the public building where the solar energy generating system is to be installed. The commissioner may make recommendations to the local unit of government regarding cost-effective conservation measures the local unit of government can implement and may provide technical assistance and direct the local unit of government to available financial assistance programs.

Subd. 8. **Technical assistance.** The commissioner must provide technical assistance to local units of government to develop and execute projects under this section.

Subd. 9. **Grant payments.** A grant awarded by the commissioner from the account established under subdivision 3 to a local unit of government must include the necessary and reasonable costs associated with the purchase and installation of a solar energy generating system. In determining the amount of a grant award, the commissioner shall take into consideration the financial capacity of the local unit of government awarded the grant.

Subd. 10. **Application deadline.** An application must not be submitted under this section after December 31, 2032.

Subd. 11. **Contractor conditions.** A contractor or subcontractor performing construction work on a project supported by a grant awarded under this section: (1) must pay employees working on the project no less than the prevailing wage rate, as defined in section 177.42; and (2) is subject to the requirements and enforcement provisions of sections 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45.

Subd. 12. **Reporting.** Beginning January 15, 2024, and each year thereafter until January 15, 2027, the commissioner must report to the chairs and ranking minority members of the legislative committees with primary jurisdiction over energy finance and policy regarding grants and amounts awarded to local units of government under this section during the previous year and any remaining balances available in the account established under this section.

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

Sec. 38. [216C.379] ENERGY STORAGE INCENTIVE PROGRAM.

(a) The electric utility subject to section 116C.779 must develop and operate a program to provide a lump-sum grant to customers to reduce the cost of purchasing and installing an on-site energy storage system, as defined in section 216B.2422, subdivision 1, paragraph (f). No later than October 1, 2023, the utility subject to this section must file a plan with the commissioner to operate

the program. The utility must not operate the program until the program is approved by the commissioner. Any change to an operating program must be approved by the commissioner.

(b) In order to be eligible to receive a grant under this section, an energy storage system must:

(1) have a capacity no greater than 50 kilowatt hours; and

(2) be located within the electric service area of the utility subject to this section.

(c) An owner of an energy storage system is eligible to receive a grant under this section if:

(1) a solar energy generating system is operating at the same site as the proposed energy storage system; or

(2) the owner has filed an application with the utility subject to this section to interconnect a solar energy generating system at the same site as the proposed energy storage system.

(d) The commissioner must annually review and may adjust the amount of grants awarded under this section, but must not increase the amount over that awarded in previous years unless the commissioner demonstrates in writing that an upward adjustment is warranted by market conditions.

(e) A customer who receives a grant under this section is eligible to receive financial assistance under programs operated by the state or the utility for the solar energy generating system operating in conjunction with the energy storage system.

(f) For the purposes of this section, "solar energy generating system" has the meaning given in section 216E.01, subdivision 9a.

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

Sec. 39. **[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:

(1) possesses a new motor vehicle license under chapter 168;

(2) regularly engages in the business of manufacturing or selling, purchasing, and generally dealing in new and unused motor vehicles;

(3) has an established place of business to sell, trade, and display new and unused motor vehicles; and

(4) possesses new and unused motor vehicles to sell or trade the motor vehicles.

(c) "Electric vehicle" has the meaning given in section 169.011, subdivision 26a, paragraphs (a) and (b), clause (3).

(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 (b).

(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 electric vehicle:

(1) has a base manufacturer's suggested retail price that does not exceed \$60,000;

(2) has not been previously owned;

(3) has not been modified from the original manufacturer's specifications;

(4) is purchased or leased from a dealer or directly from an original equipment manufacturer that does not have licensed franchised dealers in Minnesota; and

(5) is purchased or leased after the effective date of this section for use by the purchaser and not for resale.

(b) A used electric vehicle is eligible for an electric vehicle rebate under this section if the electric vehicle had a base manufacturer's suggested retail price that did not exceed \$60,000 when purchased, has previously been owned in Minnesota or another state, and has not been modified from the original manufacturer's specifications.

(c) For purposes of paragraph (a), a vehicle has not been previously owned if it:

(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 prior to purchase or lease; or

(2) is returned to a dealer by a purchaser or lessee:

(i) within two weeks of purchase or leasing or when a purchaser's or lessee's financing for the electric vehicle has been disapproved; or

(ii) before the purchaser or lessee takes delivery, even if the electric vehicle is registered in Minnesota.

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 the state of Minnesota; and

(3) registers the electric vehicle in Minnesota.

Subd. 4. **Rebate amounts.** (a) A \$2,500 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 of \$500 to purchase or lease an eligible new electric vehicle and \$100 to purchase or lease an eligible used electric vehicle. The rebate under this paragraph is in addition to the rebate under paragraph (a) or (b), as applicable.

Subd. 5. **Limits.** The number of rebates allowed under this section is limited to:

(1) no more than one rebate per resident; and

(2) no more than one rebate per business entity per year.

Subd. 6. **Program administration.** (a) A rebate application 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 the availability of money to award rebates or other factors.

Subd. 7. **Expiration.** This section expires June 30, 2027.

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

Sec. 40. **[216C.402] GRANT PROGRAM; MANUFACTURERS' CERTIFICATION OF AUTO DEALERS TO SELL ELECTRIC VEHICLES.**

Subdivision 1. **Establishment.** A grant program is established in the department 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. 41. **[216C.441] MINNESOTA CLIMATE INNOVATION FINANCE AUTHORITY.**

Subdivision 1. **Establishment; purpose.** (a) There is created a public body corporate and politic to be known as the "Minnesota Climate Innovation Finance Authority," whose purpose is to accelerate the deployment of clean energy projects, greenhouse gas emissions reduction projects, and other qualified projects through the strategic deployment of public funds in the form of grants, loans, credit enhancements, and other financing mechanisms in order to leverage existing public and private sources of capital to reduce the upfront and total cost of qualified projects and to overcome financial barriers to project adoption, especially in low-income communities.

(b) The goals of the authority include but are not limited to:

(1) reducing Minnesota's contributions to climate change by accelerating the deployment of clean energy projects;

(2) ensuring that all Minnesotans share the benefits of clean and renewable energy and the opportunity to fully participate in the clean energy economy by promoting:

(i) the creation of clean energy jobs for Minnesota workers, particularly in environmental justice communities and communities in which fossil fuel electric generating plants are retiring; and

(ii) the principles of environmental justice in the authority's operations and funding decisions; and

(3) maintaining energy reliability while reducing the economic burden of energy costs, especially on low-income households.

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

(b) "Authority" means the Minnesota Climate Innovation Finance Authority.

(c) "Board" means the Minnesota Climate Innovation Finance Authority's board of directors established in subdivision 10.

(d) "Clean energy project" has the meaning given to "qualified project" in paragraph (n).

(e) "Community navigator" means an organization that works to facilitate access to clean energy project financing by community groups.

(f) "Credit enhancement" means a pool of capital set aside to cover potential losses on loans and other investments made by financing entities. Credit enhancement includes but is not limited to loan loss reserves and loan guarantees.

(g) "Energy storage system" has the meaning given in section 216B.2422, subdivision 1, paragraph (f).

(h) "Environmental justice" means that:

(1) communities of color, Indigenous communities, and low-income communities have a healthy environment and are treated fairly when environmental statutes, rules, and policies are developed, adopted, implemented, and enforced; and

(2) in all decisions that have the potential to affect the environment of an environmental justice community or the public health of an environmental justice community's residents, due consideration is given to the history of the area's and the area's residents' cumulative exposure to pollutants and to any current socioeconomic conditions that increase the physical sensitivity of the area's residents to additional exposure to pollutants.

(i) "Environmental justice community" means a community in Minnesota that, based on the most recent data published by the United States Census Bureau, meets one or more of the following criteria:

(1) 40 percent or more of the community's total population is nonwhite;

(2) 35 percent or more of households in the community have an income that is at or below 200 percent of the federal poverty level;

(3) 40 percent or more of the community's residents over the age of five have limited English proficiency; or

(4) the community is located within Indian country, as defined in United States Code, title 18, section 1151.

(j) "Greenhouse gas emissions" means emissions of carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride emitted by anthropogenic sources.

(k) "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.

(l) "Microgrid system" means an electrical grid that:

(1) serves a discrete geographical area from distributed energy resources; and

(2) can operate independently from the central electric grid on a temporary basis.

(m) "Project labor agreement" means a prehire collective bargaining agreement with a council of building and construction trades labor organizations (1) prohibiting strikes, lockouts, and similar disruptions, and (2) providing for a binding procedure to resolve labor disputes on the project.

(n) "Qualified project" means a project, technology, product, service, or measure promoting energy efficiency, clean energy, electrification, or water conservation and quality that:

(1) substantially reduces greenhouse gas emissions;

(2) reduces energy use without diminishing the level of service;

(3) increases the deployment of renewable energy projects, energy storage systems, district heating, smart grid technologies, or microgrid systems;

(4) replaces existing fossil-fuel-based technology with an end-use electric technology;

(5) supports the development and deployment of electric vehicle charging stations and associated infrastructure, electric buses, and electric fleet vehicles;

(6) reduces water use or protects, restores, or preserves the quality of surface waters; or

(7) incentivizes customers to shift demand in response to changes in the price of electricity or when system reliability is not jeopardized.

(o) "Renewable energy" has the meaning given in section 216B.1691, subdivision 1, paragraph (c), clauses (1), (2), and (4), and includes fuel cells generated from renewable energy.

(p) "Securitization" means the conversion of an asset composed of individual loans into marketable securities.

(q) "Smart grid" means a digital technology that:

(1) allows for two-way communication between a utility and the utility's customers; and

(2) enables the utility to control power flow and load in real time.

Subd. 3. **General powers.** (a) For the purpose of exercising the specific powers granted in this section, the authority has the general powers granted in this subdivision.

(b) The authority may:

(1) hire an executive director and staff to conduct the authority's operations;

(2) sue and be sued;

(3) have a seal and alter the seal;

(4) acquire, hold, lease, manage, and dispose of real or personal property for the authority's corporate purposes;

(5) enter into agreements, including cooperative financing agreements, contracts, or other transactions, with any federal or state agency, county, local unit of government, regional development commission, person, domestic or foreign partnership, corporation, association, or organization;

(6) acquire by purchase real property, or an interest therein, in the authority's own name where acquisition is necessary or appropriate;

(7) provide general technical and consultative services related to the authority's purpose;

(8) promote research and development in matters related to the authority's purpose;

(9) analyze greenhouse gas emissions reduction project financing needs in the state and recommend measures to alleviate any shortage of financing capacity;

(10) contract with any governmental or private agency or organization, legal counsel, financial advisor, investment banker, or others to assist in the exercise of the authority's powers;

(11) enter into agreements with qualified lenders or others insuring or guaranteeing to the state the payment of qualified loans or other financing instruments; and

(12) accept on behalf of the state any gift, grant, or interest in money or personal property tendered to the state for any purpose pertaining to the authority's activities.

Subd. 4. **Authority duties.** (a) The authority must:

(1) serve as a financial resource to reduce the upfront and total costs of implementing qualified projects;

(2) ensure that all financed projects reduce greenhouse gas emissions;

(3) ensure that financing terms and conditions offered are well-suited to qualified projects;

(4) strategically prioritize the use of the authority's funds to leverage private investment in qualified projects, with the aim of achieving a high ratio of private to public money invested through funding mechanisms that support, enhance, and complement private lending and investment;

(5) coordinate with existing federal, state, local, utility, and other programs to ensure that the authority's resources are being used most effectively to add to and complement those programs;

(6) stimulate demand for qualified projects by:

(i) contracting with the department's Energy Information Center and community navigators to provide information to project participants about federal, state, local, utility, and other authority financial assistance for qualifying projects, and technical information on energy conservation and renewable energy measures;

(ii) forming partnerships with contractors and informing contractors about the authority's financing programs;

(iii) developing innovative marketing strategies to stimulate project owner interest, especially in underserved communities; and

(iv) incentivizing financing entities to increase activity in underserved markets;

(7) finance projects in all regions of the state;

(8) develop participant eligibility standards and other terms and conditions for financial support provided by the authority;

(9) develop and administer:

(i) policies to collect reasonable fees for authority services; and

(ii) risk management activities to support ongoing authority activities;

(10) develop consumer protection standards governing the authority's investments to ensure that financial support is provided responsibly and transparently, and is in the financial interest of participating project owners;

(11) develop methods to accurately measure the impact of the authority's activities, particularly on low-income communities and on greenhouse gas emissions reductions;

(12) hire an executive director and sufficient staff with the appropriate skills and qualifications to carry out the authority's programs, making an affirmative effort to recruit and hire a director and staff who are from, or share the interests of, the communities the authority must serve;

(13) apply for, either as a direct or subgrantee applicant, and accept Greenhouse Gas Reduction Fund grants authorized by the federal Clean Air Act, United States Code, title 42, section 7434(a). If the application deadlines for these grants are earlier than is practical for the authority to meet, the commissioner shall apply on behalf of the authority. In all cases, applications for these funds by or on behalf of the authority must be coordinated with all known Minnesota applicants; and

(14) ensure that authority contracts with all third-party administrators, contractors, and subcontractors contain required covenants, representations, and warranties specifying that contracted third parties are agents of the authority, and that all acts of contracted third parties are considered acts of the authority, provided that the act is within the contracted scope of work.

(b) The authority may:

(1) employ credit enhancement mechanisms that reduce financial risk for financing entities by providing assurance that a limited portion of a loan or other financial instrument is assumed by the authority via a loan loss reserve, loan guarantee, or other mechanism;

(2) co-invest in a qualified project by providing senior or subordinated debt, equity, or other mechanisms in conjunction with other investment, co-lending, or financing;

(3) aggregate small and geographically dispersed qualified projects in order to diversify risk or secure additional private investment through securitization or similar resale of the authority's interest in a completed qualified project;

(4) expend up to 25 percent of money appropriated to the authority for start-up purposes, which may be used for financing programs and project investments authorized under this section prior to adoption of the strategic plan required under subdivision 7 and the investment strategy under subdivision 8; and

(5) require a specific project to agree to implement a project labor agreement as a condition of receiving financing from the authority.

Subd. 5. Underserved market analysis. (a) Before developing a financing program, the authority must conduct an analysis of the financial market the authority is considering entering in order to determine the extent to which the market is underserved and to ensure that the authority's activities supplement, and do not duplicate or supplant, the efforts of financing entities currently serving the market. The analysis must address the nature and extent of any barriers or gaps that may be preventing financing entities from adequately serving the market, and must examine present and projected future efforts of existing financing entities, federal, state, and local governments, and of utilities and others to serve the market.

(b) In determining whether the authority should enter a market, the authority must consider:

(1) whether serving the market advances the authority's policy goals;

(2) the extent to which the market is currently underserved;

(3) the unique tools the authority would deploy to overcome existing market barriers or gaps;

(4) how the authority would market the program to potential participants; and

(5) potential financing partners and the role financing partners would play in complementing the authority's activities.

(c) Before providing any direct loans to residential borrowers, the authority must issue a request for information to existing known financing entities, specifying the market need and the authority's goals in meeting the underserved market segment, and soliciting each financing entity's:

- (1) current financing offerings for that specific market;
- (2) prior efforts to meet that specific market; and
- (3) plans and capabilities to serve that specific market.

(d) The authority may only provide direct loans to residential borrowers if the authority certifies that no financing entity is currently able to meet the specific underserved market need and the authority's goals, and that the authority's entry into the market does not supplant or duplicate any existing financing activities in that specific market.

Subd. 6. Authority lending practices; labor and consumer protection standards. (a) In determining the projects in which the authority will participate, the authority must give preference to projects that:

(1) maximize the creation of high-quality employment and apprenticeship opportunities for local workers, consistent with the public interest, especially workers from environmental justice communities, labor organizations, and Minnesota communities hosting retired or retiring electric generation facilities, including workers previously employed at retiring facilities;

(2) utilize energy technologies produced domestically that received an advanced manufacturing tax credit under section 45X of the Internal Revenue Code, as allowed under the federal Inflation Reduction Act of 2022, Public Law 117-169;

(3) certify, for all contractors and subcontractors, that the rights of workers to organize and unionize are recognized; and

(4) agree to implement a project labor agreement.

(b) The authority must require, for all projects for which the authority provides financing, that:

(1) if the budget is \$100,000 or more, all contractors and subcontractors:

(i) must pay no less than the prevailing wage rate, as defined in section 177.42, subdivision 6; and

(ii) are subject to the requirements and enforcement provisions under sections 177.27, 177.30, 177.32, 177.41 to 177.43, and 177.45, including the posting of prevailing wage rates, prevailing hours of labor, and hourly basic rates of pay for all trades on the project in at least one conspicuous location at the project site;

(2) financing is not offered without first ensuring that the participants meet the authority's underwriting criteria; and

(3) any loan made to a homeowner for a project on the homeowner's residence complies with section 47.59 and the following federal laws:

- (i) the Truth in Lending Act, United States Code, title 15, section 1601 et seq.;
- (ii) the Fair Credit Reporting Act, United States Code, title 15, section 1681;
- (iii) the Equal Credit Opportunity Act, United States Code, title 15, section 1691 et seq.; and
- (iv) the Fair Debt Collection Practices Act, United States Code, title 15, section 1692.

(c) The authority and any third-party administrator, contractor, subcontractor, or agent that conducts lending, financing, investment, marketing, administration, servicing, or installation of measures in connection with a qualified project financed in whole or in part with authority funds is subject to sections 325D.43 to 325D.48; 325F.67 to 325F.71; 325G.06 to 325G.14; 325G.29 to 325G.37; and 332.37.

(d) For the purposes of this section, "local workers" means Minnesota residents who permanently reside within 150 miles of the location of a proposed project in which the authority is considering to participate.

Subd. 7. **Strategic plan.** (a) By December 15, 2024, and each December 15 in even-numbered years thereafter, the authority must develop and adopt a strategic plan that prioritizes the authority's activities over the next two years. A strategic plan must:

- (1) identify targeted underserved markets for qualified projects in Minnesota;
- (2) develop specific programs to overcome market impediments through access to authority financing and technical assistance; and
- (3) develop outreach and marketing strategies designed to make potential project developers, participants, and communities aware of financing and technical assistance available from the authority, including the deployment of community navigators.

(b) Elements of the strategic plan must be informed by the authority's analysis of the market for qualified projects and by the authority's experience under the previous strategic plan, including the degree to which performance targets were or were not achieved by each financing program. In addition, the authority must actively seek input regarding activities that should be included in the strategic plan from stakeholders, environmental justice communities, the general public, and participants, including via meetings required under subdivision 9.

(c) The authority must establish annual targets in a strategic plan for each financing program regarding the number of projects, level of authority investments, greenhouse gas emissions reductions, and installed generating capacity or energy savings the authority hopes to achieve, including separate targets for authority activities undertaken in environmental justice communities.

(d) The authority's targets and strategies must be designed to ensure that no less than 40 percent of the direct benefits of authority activities flow to environmental justice communities as defined under subdivision 2, by the United States Department of Energy, or as modified by the department.

Subd. 8. **Investment strategy; content; process.** (a) No later than December 15, 2024, and every four years thereafter, the authority must adopt a long-term investment strategy to ensure the

authority's paramount goal to reduce greenhouse gas emissions is reflected in all of the authority's operations. The investment strategy must address:

(1) the types of qualified projects the authority should focus on;

(2) gaps in current qualified project financing that present the greatest opportunities for successful action by the authority;

(3) how the authority can best position itself to maximize its impact without displacing, subsidizing, or assuming risk that should be shared with financing entities;

(4) financing tools that will be most effective in achieving the authority's goals;

(5) partnerships the authority should establish with other organizations to increase the likelihood of success; and

(6) how values of equity, environmental justice, and geographic balance can be integrated into all investment operations of the authority.

(b) In developing an investment strategy, the authority must consult, at a minimum, with similar organizations in other states, lending authorities, state agencies, utilities, environmental and energy policy nonprofits, labor organizations, and other organizations that can provide valuable advice on the authority's activities.

(c) The long-term investment strategy must contain provisions ensuring that:

(1) authority investments are not made solely to reduce private risk; and

(2) private financing entities do not unilaterally control the terms of investments to which the authority is a party.

(d) The board must submit a draft long-term investment strategy for comment to each of the groups and individuals the board consults under paragraph (b) and to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over energy finance and policy, and must post the draft strategy on the authority's website. The authority must accept written comments on the draft strategy for at least 30 days and must consider the comments in preparing the final long-term investment strategy.

Subd. 9. **Public communications and outreach.** The authority must:

(1) maintain a public website that provides information about the authority's operations, current financing programs, and practices, including rates, terms, and conditions; the number and amount of investments by project type; the number of jobs created; the financing application process; and other information;

(2) periodically issue an electronic newsletter to stakeholders and the public containing information on the authority's products, programs, and services and key authority events and decisions; and

(3) hold quarterly meetings accessible online to update the general public on the authority's activities, report progress being made in regard to the authority's strategic plan and long-term investment strategy, and invite audience questions regarding authority programs.

Subd. 10. **Board of directors.** (a) The Minnesota Climate Innovation Finance Authority Board of Directors shall consist of the following 11 members:

(1) the commissioner of commerce, or the commissioner's designee;

(2) the commissioner of labor and industry, or the commissioner's designee;

(3) the commissioner of the Minnesota Pollution Control Agency, or the commissioner's designee;

(4) the commissioner of employment and economic development, or the commissioner's designee;

(5) the chair of the Minnesota Indian Affairs Council, or the chair's designee; and

(6) six additional members appointed by the governor, as follows:

(i) one member, appointed after the governor consults with labor organizations in the state, must be a representative of a labor union with experience working on clean energy projects;

(ii) one member with expertise in the impact of climate change on Minnesota communities, particularly low-income communities;

(iii) one member with expertise in financing projects at a community bank, credit union, community development institution, or local government;

(iv) one member with expertise in sustainable development and energy conservation;

(v) one member with expertise in environmental justice; and

(vi) one member with expertise in investment fund management or financing and deploying clean energy technologies.

(b) At least two members appointed to the board must permanently reside outside the metropolitan area, as defined in section 473.121, subdivision 2. The board must collectively reflect the geographic and ethnic diversity of the state.

(c) Board members appointed under paragraph (a), clause (6), shall serve a term of four years.

(d) Members appointed to the board must:

(1) provide evidence of a commitment to the authority's purposes and goals; and

(2) not hold any personal or professional conflicts of interest related to the authority's activities, including with respect to the member's financial investments and employment or the financial investments and employment of the member's immediate family members.

(e) The authority shall contract with the department to provide administrative and technical services to the board and to prospective borrowers, especially those serving or located in environmental justice communities.

(f) Compensation of board members, removal of members, and filling of vacancies are governed by section 15.0575.

(g) Board members may be reappointed for up to two full terms.

(h) A majority of board members, excluding vacancies, constitutes a quorum for the purpose of conducting business and exercising powers, and for all other purposes. Action may be taken by the authority upon a vote of a majority of the quorum present.

(i) Board members and officers are not personally liable, either jointly or severally, for any debt or obligation created or incurred by the authority.

Subd. 11. **Report; audit.** Beginning February 1, 2024, the authority must annually submit a comprehensive report on the authority's activities during the previous year to the governor and 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 and public capital leveraged by authority investments, by project type;

(3) the number of qualified projects supported, by project type and location within Minnesota, including in environmental justice communities;

(4) the estimated number of jobs created for local workers and nonlocal workers, the ratio of projects subject to and exempt from prevailing wage requirements under subdivision 6, paragraph (b), and tax revenue generated as a result of the authority's activities;

(5) estimated reductions in greenhouse gas emissions resulting from the authority's activities;

(6) the number of clean energy projects financed in low- and moderate-income households;

(7) a narrative describing the progress made toward the authority's equity, social, and labor standards goals; and

(8) a financial audit conducted by an independent party.

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

Sec. 42. **[216C.45] RESIDENTIAL HEAT PUMP REBATE PROGRAM.**

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

(b) "Eligible applicant" means a person who provides evidence to the commissioner's satisfaction demonstrating that the person has received or has applied for a heat pump rebate available from the federal Department of Energy under the Inflation Reduction Act of 2022, Public Law 117-189.

(c) "Heat pump" means a cold climate rated air-source heat pump composed of (1) a mechanism that heats and cools indoor air by transferring heat from outdoor or indoor air using a fan, (2) a refrigerant-filled heat exchanger, and (3) an inverter-driven compressor that varies the pressure of the refrigerant to warm or cool the refrigerant vapor.

Subd. 2. **Establishment.** A residential heat pump rebate program is established in the department to provide financial assistance to eligible applicants that purchase and install a heat pump in the applicant's Minnesota residence.

Subd. 3. **Application.** (a) An application for a rebate under this section must be made to the commissioner on a form developed by the commissioner. The application must be accompanied by documentation, as required by the commissioner, demonstrating that:

(1) the applicant is an eligible applicant;

(2) the applicant owns the Minnesota residence in which the heat pump is to be installed;

(3) the applicant has had an energy audit conducted of the residence in which the heat pump is to be installed within the last 18 months by a person with a Building Analyst Technician certification issued by the Building Performance Institute, Inc., or an equivalent certification, as determined by the commissioner;

(4) either:

(i) the applicant has installed in the applicant's residence, by a contractor with an Air Leakage Control Installer certification issued by the Building Performance Institute, Inc., or an equivalent certification, as determined by the commissioner, the amount of insulation and the air sealing measures recommended by the auditor; or

(ii) the auditor has otherwise determined that the amount of insulation and air sealing measures in the residence are sufficient to enable effective heat pump performance;

(5) the applicant has purchased a heat pump of the capacity recommended by the auditor or contractor, and has had the heat pump installed by a contractor with sufficient training and experience in installing heat pumps, as determined by the commissioner; and

(6) the total cost to purchase and install the heat pump in the applicant's residence.

(b) The commissioner must develop administrative procedures governing the application and rebate award processes.

Subd. 4. **Rebate amount.** A rebate awarded under this section must not exceed the lesser of:

(1) \$4,000; or

(2) the total cost to purchase and install the heat pump in an eligible applicant's residence net of the rebate amount received for the heat pump from the federal Department of Energy under the Inflation Reduction Act of 2022, Public Law 117-189.

Subd. 5. **Assisting applicants.** The commissioner must issue a request for proposals seeking an entity to serve as an energy coordinator to interact directly with applicants and potential applicants to:

(1) explain the technical aspects of heat pumps, energy audits, and energy conservation measures, and the energy and financial savings that can result from implementing each;

(2) identify federal, state, and utility programs available to homeowners to reduce the costs of energy audits, energy conservation, and heat pumps;

(3) explain the requirements and scheduling of the application process;

(4) provide access to certified contractors who can perform energy audits, install insulation and air sealing measures, and install heat pumps; and

(5) conduct outreach to make potential applicants aware of the program.

Subd. 6. **Contractor training and support.** The commissioner must issue a request for proposals seeking an entity to develop and organize programs to train contractors with respect to the technical aspects and installation of heat pumps in residences. The training curriculum must be at a level sufficient to provide contractors who complete training with the knowledge and skills necessary to install heat pumps to industry best practice standards, as determined by the commissioner. Training programs must: (1) be accessible in all regions of the state; and (2) provide mentoring and ongoing support, including continuing education and financial assistance, to trainees.

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

Sec. 43. **[216C.46] RESIDENTIAL ELECTRIC PANEL UPGRADE GRANT PROGRAM.**

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

(b) "Area median income" means the median income of the geographic area in which a single-family or multifamily building whose owner is applying for a grant under this section is located, as reported by the United States Department of Housing and Urban Development.

(c) "Electric panel" means a building's electric panel or group of panels, including any subpanels, consisting of buses and automatic overcurrent devices and equipment with or without switches for the control of light, heat, or power circuits placed in an enclosure, cabinet, or cutout box. Electric panel includes a smart panel.

(d) "Electrical work" has the meaning given in section 326B.31, subdivision 17.

(e) "Eligible applicant" means:

(1) an owner of a single-family building whose occupants have an annual household income no greater than 150 percent of the area median income; or

(2) an owner of a multifamily building in which at least 50 percent of the units are occupied by households whose annual income is no greater than 150 percent of the area median income.

(f) "Multifamily building" means a building containing two or more units.

(g) "Smart panel" means an electrical panel that may be electronically programmed to manage electricity use in a building automatically.

(h) "Unit" means a residential living space in a multifamily building occupied by an individual or a household.

(i) "Upgrade" means:

(1) for a single-family residence, the installation of equipment, devices, and wiring necessary to increase an electrical panel's capacity to a total rating of not less than 200 amperes, or to a total rating that allows all the building's energy needs to be provided solely by electricity, as calculated using the most recent National Electrical Code as adopted in Minnesota;

(2) for a single-family residence, the installation of a smart panel; or

(3) for a multifamily building, the installation of equipment, devices, and wiring necessary to increase the capacity of an electric panel, including feeder panels, to a total rating that allows all the building's energy needs to be provided solely by electricity, as calculated using the National Electrical Code as adopted in Minnesota.

Subd. 2. **Program establishment.** A residential electric panel upgrade grant program is established in the Department of Commerce to provide financial assistance to owners of single-family residences and multifamily buildings to upgrade residential electric panels.

Subd. 3. **Application process.** An applicant seeking a grant under this section must submit an application to the commissioner on a form developed by the commissioner. The commissioner must develop administrative procedures to govern the application and grant award process. The commissioner may contract with a third party to conduct some or all of the program's operations.

Subd. 4. **Grant awards.** A grant may be awarded under this section to:

(1) an eligible applicant; or

(2) with the written permission of an eligible applicant submitted to the commissioner, a contractor performing an upgrade or a third party on behalf of the eligible applicant.

Subd. 5. **Grant amount.** (a) Subject to the limits of paragraphs (b) to (d), a grant awarded under this section may be used to pay 100 percent of the equipment and installation costs of an upgrade.

(b) The commissioner may not award a grant to an eligible applicant under this section which, in combination with a federal grant awarded to the eligible applicant under the federal Inflation

Reduction Act of 2022, Public Law 117-189, for the same electric panel upgrade, exceeds 100 percent of the equipment and installation costs of the upgrade.

(c) The maximum grant amount under this section that may be awarded to an eligible applicant who owns a single-family residence is:

(1) \$3,000 for an owner whose annual household income is less than 80 percent of area median income; and

(2) \$2,000 for an owner whose annual household income exceeds 80 percent but is not greater than 150 percent of area median income.

(d) The maximum grant amount that may be awarded under this section to an eligible applicant who owns a multifamily building is the sum of \$5,000, plus \$500 multiplied by the number of units containing a separate electric panel receiving an upgrade in the multifamily building, not to exceed \$50,000 per multifamily building.

(e) The commissioner may approve grants over the maximum amounts in paragraphs (c) and (d) up to 100 percent of the equipment and installation costs of the upgrade if necessary to complete the upgrade.

Subd. 6. **Limitation.** No more than one grant may be awarded to an owner under this section for work conducted at the same single-family residence or multifamily building.

Subd. 7. **Outreach.** The department must publicize the availability of grants under this section to, at a minimum:

(1) income-eligible households;

(2) community action agencies and other public and private nonprofit organizations that provide weatherization and other energy services to income-eligible households; and

(3) multifamily property owners and property managers.

Subd. 8. **Contractor or subcontractor requirements.** Contractors and subcontractors performing electrical work under a grant awarded under this section:

(1) must comply with the provisions of sections 326B.31 to 326B.399;

(2) must certify that the electrical work is performed by a licensed journeyworker electrician or a registered unlicensed individual under the direct supervision of a licensed journeyworker electrician or master electrician employed by the same licensed electrical contractor; and

(3) must pay workers the prevailing wage rate, as defined in section 177.42, and are subject to the requirements and enforcement provisions in sections 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45.

Subd. 9. **Report.** Beginning January 1, 2025, and each January 1 through 2033, the department must submit a report to the chairs and ranking minority members of the legislative committees with

primary jurisdiction over climate and energy policy describing the activities and expenditures under the program established in the section. The report must include, at a minimum:

- (1) the number of units in multifamily buildings and the number of single-family residences whose owners received grants;
- (2) the geographic distribution of grant recipients; and
- (3) the average amount of grants awarded per building in multifamily buildings and in single-family residences.

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

Sec. 44. Laws 2023, chapter 24, section 3, is amended to read:

Sec. 3. **APPROPRIATION.**

(a) \$115,000,000 in fiscal year 2023 is ~~appropriated~~ transferred from the general fund to the ~~commissioner of commerce for the purposes of state competitiveness fund account under Minnesota Statutes, section 216C.391.~~ This is a onetime ~~appropriation~~ transfer. Of this amount:

- (1) \$100,000,000 is for grant awards made under Minnesota Statutes, section 216C.391, subdivision 3, of which at least \$75,000,000 is for grant awards of less than \$1,000,000;
- (2) \$6,000,000 is for grant awards made under Minnesota Statutes, section 216C.391, subdivision 4;
- (3) \$750,000 is for the reports and audits under Minnesota Statutes, section 216C.391, subdivision 7;
- (4) \$1,500,000 is for information system development improvements necessary to carry out Minnesota Statutes, section 216C.391, and to improve digital access and reporting;
- (5) \$6,750,000 is for technical assistance to applicants and administration of Minnesota Statutes, section 216C.391, by the Department of Commerce; and
- (6) the commissioner may transfer money from clause (2) to clause (1) if less than 75 percent of the money in clause (2) has been awarded by June 30, 2028.

(b) To the extent that federal funds for energy projects under the Infrastructure Investment and Jobs Act, Public Law 117-58, or the Inflation Reduction Act of 2022, Public Law 117-169, become permanently unavailable to be matched with funds appropriated under this section, the commissioner of management and budget must certify the proportional amount of unencumbered funds remaining in the account established under Minnesota Statutes, section 216C.391, and those unencumbered funds cancel to the general fund.

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

Sec. 45. **COMMISSION ORDER.**

Within 180 days of the filing by the public utility subject to Minnesota Statutes, section 116C.779, of the plan required by Minnesota Statutes, section 216B.1641, subdivision 4, as amended by this act, the Public Utilities Commission must issue an order addressing the requirements of Minnesota Statutes, section 216B.1641, as amended by this act.

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

Sec. 46. **ADVANCED NUCLEAR STUDY.**

Subdivision 1. **Study required.** (a) The commissioner of commerce must conduct a study evaluating the potential costs, benefits, and impacts of advanced nuclear technology reactor power generation in Minnesota.

(b) At a minimum, the study must address the potential costs, benefits, and impacts of advanced nuclear technology reactor power generation on:

(1) Minnesota's greenhouse gas emissions reduction goals under the Next Generation Energy Act, Laws 2007, chapter 136;

(2) system costs for ratepayers;

(3) system reliability;

(4) the environment;

(5) local jobs;

(6) local economic development;

(7) Minnesota's eligible energy technology standard under Minnesota Statutes, section 216B.1691, subdivision 2a; and

(8) Minnesota's carbon-free standard under Minnesota Statutes, section 216B.1691, subdivision 2g.

(c) The study must also evaluate:

(1) current Minnesota statutes and administrative rules that would require modifications in order to enable the construction and operation of advanced nuclear reactors;

(2) the economic feasibility of replacing coal-fired boilers with advanced nuclear reactors, while accounting for the avoided costs that result from the closure of coal-fired plants; and

(3) the technologies and methods most likely to minimize the environmental impacts of nuclear waste and the costs of managing nuclear waste.

Subd. 2. **Report.** The commissioner of commerce must submit the results of the study under subdivision 1 to the chairs and ranking minority members of the legislative committees having jurisdiction over energy finance and policy no later than January 31, 2025.

Sec. 47. **TRIBAL ADVOCACY COUNCIL ON ENERGY; DEPARTMENT OF COMMERCE SUPPORT.**

(a) The Department of Commerce must provide technical support and subject matter expertise to assist and help facilitate any efforts taken by the 11 federally recognized Indian Tribes in Minnesota to establish a Tribal advocacy council on energy.

(b) When providing support to a Tribal advocacy council on energy, the Department of Commerce may assist the council to:

(1) assess and evaluate common Tribal energy issues, including (i) identifying and prioritizing energy issues, (ii) facilitating idea sharing between 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 and provide educational opportunities with respect to Tribal energy issues by (i) identifying information resources, (ii) gathering feedback on issues and topics the council identifies as areas of interest, and (iii) identifying topics for educational forums and helping facilitate the forum process; and

(4) identify, evaluate, and disseminate successful energy-related practices, and develop mechanisms or opportunities to implement the successful 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 any one of the 11 federally recognized Indian Tribes in Minnesota to participate in or implement a decision or support an effort made by an established Tribal advocacy council on energy.

(d) Any support provided by the Department of Commerce to a Tribal advocacy council on energy under this section may 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. 48. **ELECTRIC GRID RESILIENCY GRANTS.**

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

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

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

(d) "Consumer-owned utility" has the meaning given in Minnesota Statutes, section 216B.2402, subdivision 2.

Subd. 2. **Grant awards.** Grants may be awarded under this section to consumer-owned utilities or associated trade associations, or to generation and transmission cooperative electric associations,

municipal power agencies, or power districts serving one or more consumer-owned utilities, for projects that:

- (1) develop or improve distributed energy resources in the state;
- (2) demonstrate the project helps provide flexibility to electric utilities or consumers, lead to lower rates, provide environmental benefits, or increase the resilience of an electric grid;
- (3) are power generation or storage resources located near load centers; or
- (4) develop programs to enhance the safety of personnel performing duties exposing the personnel to potential electrical hazards, including power system restoration, by incorporating whole person safety concepts into safety programs.

Subd. 3. **Grant awards; administration.** (a) An entity seeking a grant award under subdivision 2 must submit an application to the commissioner on a form prescribed by the commissioner. The commissioner is responsible for receiving and reviewing grant applications and awarding grants under this subdivision, and must develop administrative procedures governing the application, evaluation, and award process. In awarding grants under this subdivision, the commissioner must endeavor to make awards assisting entities from all regions of the state. The maximum grant award for each entity awarded a grant under this subdivision is \$250,000.

(b) The department must provide technical assistance to applicants.

Subd. 4. **Report.** Beginning February 15, 2024, and each February 15 thereafter until the appropriation under article 2, section 2, subdivision 2, paragraph (y), has been expended, the commissioner must submit a written report to the chairs and ranking minority members of the legislative committees with jurisdiction over energy policy and finance on the activities taken and expenditures made under this section. The report must, at a minimum, include each grant awarded in the most recent calendar year and the remaining balance of the appropriation under this section.

Sec. 49. **MINNESOTA CLIMATE INNOVATION FINANCE AUTHORITY.**

(a) The initial appointments made under Minnesota Statutes, section 216C.441, subdivision 10, paragraph (a), clause (6), items (i) to (iii), shall be for two-year terms, and the initial appointments made under Minnesota Statutes, section 216C.441, subdivision 10, paragraph (a), clause (6), items (iv) to (vi), shall be for three-year terms.

(b) The governor must make the appointments required under this section no later than July 30, 2023.

(c) The initial meeting of the board of directors must be held no later than September 15, 2023. At the initial meeting, the board shall elect a chair and vice-chair by majority vote of the members present.

Sec. 50. **SUPPORTING INVESTMENT IN GREEN FERTILIZER PRODUCTION.**

(a) The commissioner of agriculture may award a grant under this section to a cooperative to invest in green fertilizer production facilities. A grant under this section must include a long-term agreement to purchase nitrogen fertilizer for cooperative members. Renewable energy, hydrogen,

and ammonia may be produced elsewhere, but the final production of nitrogen fertilizer must occur within Minnesota.

(b) For purposes of this section:

(1) "cooperative" includes an agricultural or rural electric cooperative organized under Minnesota Statutes, chapter 308A or 308B;

(2) "green fertilizer production facilities" means facilities that use renewable energy to produce anhydrous ammonia, urea, or hydrogen;

(3) "green hydrogen" means hydrogen produced by splitting water molecules using:

(i) grid-based electrolyzers that have matched their electricity consumption with wind or solar;
or

(ii) electrolyzers connected directly to a wind or solar facility; and

(4) "green fertilizer" means a nitrogen-based fertilizer produced from green hydrogen.

(c) The commissioner of agriculture must develop criteria and scoring procedures for evaluating and awarding grants. The maximum grant award for a cooperative is \$7,000,000.

(d) Up to five percent of the amount in paragraph (a) may be used by the Department of Agriculture to administer this section.

(e) By December 15 each year, the commissioner of agriculture must report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture to provide an update on the progress of projects funded by this program. Each report must include how much of the amount appropriated has been used, including the amount used for administration. The commissioner may include additional information of interest or relevance to the legislature. This paragraph expires December 31, 2031.

(f) By December 15, 2032, the commissioner of agriculture must complete a final report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture regarding the uses and impacts of this program. The final report must include a list of the grants awarded, the amount of the appropriation used for administration, the amount of green fertilizer produced, and a summary of the economic and environmental impacts of this production compared to the production and purchase of conventionally produced fertilizer. The commissioner of agriculture may include additional information of interest or relevance to the legislature. This paragraph expires December 31, 2032.

Sec. 51. **REPEALER.**

Minnesota Statutes 2022, section 16B.24, subdivision 13, is repealed.

ARTICLE 8**FINANCIAL REVIEW OF GRANT AND BUSINESS SUBSIDY RECIPIENTS****Section 1. FINANCIAL REVIEW OF GRANT AND BUSINESS SUBSIDY RECIPIENTS.**

Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the meanings given.

(b) "Grant" means a grant or business subsidy funded by an appropriation in this act.

(c) "Grantee" means a business entity as defined in Minnesota Statutes, section 5.001.

Subd. 2. **Financial information required; determination of ability to perform.** Before an agency awards a competitive, legislatively named, single-source, or sole-source grant, the agency must assess the risk that a grantee cannot or would not perform the required duties. In making this assessment, the agency must review the following information:

(1) the grantee's history of performing duties similar to those required by the grant, whether the size of the grant requires the grantee to perform services at a significantly increased scale, and whether the size of the grant will require significant changes to the operation of the grantee's organization;

(2) for a grantee that is a nonprofit organization, the grantee's Form 990 or Form 990-EZ filed with the Internal Revenue Service in each of the prior three years. If the grantee has not been in existence long enough or is not required to file Form 990 or Form 990-EZ, the grantee must demonstrate to the grantor's satisfaction that the grantee is exempt and must instead submit the grantee's most recent board-reviewed financial statements and documentation of internal controls;

(3) for a for-profit business, three years of federal and state tax returns, current financial statements, certification that the business is not under bankruptcy proceedings, and disclosure of any liens on its assets. If a business has not been in business long enough to have three years of tax returns, the grantee must demonstrate to the grantor's satisfaction that the grantee has appropriate internal financial controls;

(4) evidence of registration and good standing with the secretary of state under Minnesota Statutes, chapter 317A, or other applicable law;

(5) if the grantee's total annual revenue exceeds \$750,000, the grantee's most recent financial audit performed by an independent third party in accordance with generally accepted accounting principles; and

(6) certification, provided by the grantee, that none of its principals have been convicted of a financial crime.

Subd. 3. **Additional measures for some grantees.** The agency may require additional information and must provide enhanced oversight for grants that have not previously received state or federal grants for similar amounts or similar duties and so have not yet demonstrated the ability to perform the duties required under the grant on the scale required.

Subd. 4. **Assistance from administration.** An agency without adequate resources or experience to perform obligations under this section may contract with the commissioner of administration to perform the agency's duties under this section.

Subd. 5. **Agency authority to not award grant.** If an agency determines that there is an appreciable risk that a grantee receiving a competitive, single-source, or sole-source grant cannot or would not perform the required duties under the grant agreement, the agency must notify the grantee and the commissioner of administration and give the grantee an opportunity to respond to the agency's concerns. If the grantee does not satisfy the agency's concerns within 45 days, the agency must not award the grant.

Subd. 6. **Legislatively named grantees.** If an agency determines that there is an appreciable risk that a grantee receiving a legislatively named grant cannot or would not perform the required duties under the grant agreement, the agency must notify the grantee, the commissioner of administration, the chair and ranking minority member of the Ways and Means Committee in the house of representatives, the chair and ranking minority member of the Finance Committee in the senate, and the chairs and ranking minority members of the committees in the house of representatives and the senate with primary jurisdiction over the bill in which the money for the grant was appropriated. The agency must give the grantee an opportunity to respond to the agency's concerns. If the grantee does not satisfy the agency's concerns within 45 days, the agency must delay award of the grant until adjournment of the next regular or special legislative session.

Subd. 7. **Subgrants.** If a grantee will disburse the money received from the grant to other organizations to perform duties required under the grant agreement, the agency must be a party to agreements between the grantee and a subgrantee. Before entering agreements for subgrants, the agency must perform the financial review required under this section with respect to the subgrantees.

Subd. 8. **Effect.** The requirements of this section are in addition to other requirements imposed by law; the commissioner of administration under Minnesota Statutes, sections 16B.97 and 16B.98; or agency grant policy."

Delete the title and insert:

"A bill for an act relating to state government; appropriating money for environment and natural resources; appropriating money for energy and commerce; modifying environment and natural resources provisions; modifying commissioner's duties; modifying provisions for water and soil conservation; prohibiting lead and cadmium in certain consumer products; modifying farmed Cervidae provisions; establishing and modifying energy, renewable energy, and utility provisions; establishing a strengthen Minnesota homes program; modifying report requirements; requiring reports; requiring rulemaking; amending Minnesota Statutes 2022, sections 16B.325, subdivision 2; 16B.58, by adding a subdivision; 16C.135, subdivision 3; 16C.137, subdivision 1; 35.155, subdivisions 1, 4, 10, 11, 12, by adding subdivisions; 35.156, by adding subdivisions; 84.415, subdivision 3; 84.66, subdivision 7; 86B.313, subdivision 4; 97A.465, subdivisions 3, 8; 97A.475, subdivision 41; 97C.605, subdivisions 1, 2c, 3; 97C.611; 103B.101, subdivisions 9, 16, by adding a subdivision; 103B.103; 103C.501, subdivisions 1, 4, 5, 6; 103D.605, subdivision 5; 103F.505; 103F.511, by adding a subdivision; 115.01, by adding subdivisions; 115.03, subdivision 1; 115A.1415; 115A.49; 115A.51; 115A.54, subdivisions 1, 2, 2a; 115A.565, subdivisions 1, 3; 116.07, subdivision 6; 116C.779, subdivision 1; 116C.7792; 168.27, by adding a subdivision; 171.07, by adding a

subdivision; 216B.16, subdivision 10; 216B.1641; 216B.1645, subdivision 4; 216B.1691, by adding a subdivision; 216B.17, subdivision 1; 216B.2422, subdivision 2; 216B.62, subdivision 3b; 216C.02, subdivision 1; 216C.264, subdivision 5, by adding subdivisions; 216C.375, subdivisions 1, 3, 10, 11; 297A.94; 325F.072, subdivisions 1, 3, by adding a subdivision; Laws 2023, chapter 9, section 19; Laws 2023, chapter 24, section 3; proposing coding for new law in Minnesota Statutes, chapters 16B; 65A; 86B; 103B; 103F; 103G; 116; 116C; 123B; 216B; 216C; 325E; repealing Minnesota Statutes 2022, sections 16B.24, subdivision 13; 35.155, subdivision 14; 86B.101; 86B.305; 86B.313, subdivisions 2, 3; 97C.605, subdivisions 2, 2a, 2b, 5; 103C.501, subdivisions 2, 3; 115.44, subdivision 9; 116.011; 325E.389; 325E.3891; Minnesota Rules, parts 6256.0500, subparts 2, 2a, 2b, 4, 5, 6, 7, 8; 8400.0500; 8400.0550; 8400.0600, subparts 4, 5; 8400.0900, subparts 1, 2, 4, 5; 8400.1650; 8400.1700; 8400.1750; 8400.1800; 8400.1900."

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

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

S.F. No. 2684: A bill for an act relating to education finance; providing funding for prekindergarten through grade 12 education; modifying provisions for general education, education excellence, literacy, teachers, special education, facilities, nutrition, libraries, early childhood, community education, and state agencies; making forecast adjustments; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 119A.52; 120A.20, subdivision 1; 120B.11, subdivisions 1, 2; 120B.12; 120B.122, subdivision 1; 121A.19; 121A.41, subdivision 7; 121A.582, subdivision 1; 122A.092, subdivision 5; 122A.183, subdivision 1; 122A.184, subdivision 1; 122A.185, subdivision 1; 122A.187, subdivision 5; 122A.31, subdivision 1; 122A.40, subdivisions 3, 5; 122A.41, subdivision 2, by adding a subdivision; 122A.415, subdivision 4; 122A.59; 122A.635; 122A.70; 122A.73, subdivisions 2, 3; 123B.147, subdivision 3; 123B.595, subdivision 3; 123B.92, subdivision 1; 124D.095, subdivisions 2, 7, 8; 124D.1158, as amended; 124D.128, subdivision 2; 124D.13, by adding a subdivision; 124D.151, subdivision 6; 124D.165, subdivisions 2, 3; 124D.20, subdivisions 3, 5; 124D.2211; 124D.231; 124D.42, subdivision 8; 124D.531, subdivisions 1, 4; 124D.55; 124D.56; 124D.59, subdivision 2; 124D.65, subdivision 5; 124D.68, subdivision 2; 124D.74, subdivision 3; 124D.81; 124D.98, by adding a subdivision; 124D.99, subdivisions 2, 3, 5; 125A.03; 125A.08; 125A.71, subdivision 1; 125A.76, subdivision 2e; 126C.05, subdivisions 1, 19; 126C.10, subdivisions 2, 2d, 2e, 4, 13, 13a, 14; 126C.12, by adding a subdivision; 126C.15, subdivision 2; 126C.17, by adding a subdivision; 126C.40, subdivisions 1, 6; 126C.43, subdivision 2; 134.355, subdivisions 1, 5, 6, 7; 256B.0625, subdivision 26; 268.085, subdivision 7; Laws 2021, First Special Session chapter 13, article 1, sections 9; 10, subdivisions 2, 3, 4, 5, 6, 7, 9; article 2, section 4, subdivisions 2, 3, 4, 12, 27; article 3, section 7, subdivision 7; article 5, section 3, subdivisions 2, 3, 4; article 7, section 2, subdivisions 2, 3; article 8, section 3, subdivisions 2, 3, 4; article 9, section 4, subdivisions 5, 6, 12; article 10, section 1, subdivisions 2, 8; article 11, section 4, subdivision 2; Laws 2023, chapter 18, section 4, subdivisions 2, 3; proposing coding for new law in Minnesota Statutes, chapters 120B; 121A; 122A; 124D; 125A; 127A; 134; repealing Minnesota Statutes 2022, sections 122A.06, subdivision 4; 268.085, subdivision 8; Laws 2023, chapter 18, section 4, subdivision 5.

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

Page 38, lines 23 and 24, delete "4,738,000" and insert "3,744,000"

Page 38, line 25, delete "\$2,755,000" and insert "\$2,177,000"

Page 38, line 28, delete "\$1,983,000" and insert "\$1,567,000"

Page 39, line 4, delete "\$14,786,000" and insert "\$12,201,000"

Page 135, line 19, after "For" insert "transfer to the Office of Higher Education for"

Page 136, line 22, delete "(a)"

Page 136, delete line 27

Page 141, line 3, strike "2011" and insert "2024" and strike "\$44,419,000" and insert "\$52,781,000"

Page 141, line 10, delete the new language

Page 141, line 12, after "(ii)" insert "the greater of: (A) one plus the percent change in the formula allowance under section 126C.10, subdivision 2, from the previous fiscal year to the current fiscal year; or (B)"

Page 145, line 25, delete "51,763,000" and insert "52,663,000"

Page 145, line 26, delete "51,758,000" and insert "54,196,000"

Page 145, line 27, delete "\$46,584,000" and insert "\$47,484,000"

Page 145, line 28, delete "\$5,175,000" and insert "\$5,275,000" and delete "\$46,583,000" and insert "\$48,921,000"

Page 152, after line 30, insert:

"Sec. 8. **FINANCIAL REVIEW OF GRANT AND BUSINESS SUBSIDY RECIPIENTS.**

Subdivision 1. Definitions. (a) As used in this section, the following terms have the meanings given.

(b) "Grant" means a grant or business subsidy funded by an appropriation in this act.

(c) "Grantee" means a business entity as defined in Minnesota Statutes, section 5.001.

Subd. 2. Financial information required; determination of ability to perform. Before an agency awards a competitive, legislatively named, single source, or sole source grant, the agency must assess the risk that a grantee cannot or would not perform the required duties. In making this assessment, the agency must review the following information:

(1) the grantee's history of performing duties similar to those required by the grant, whether the size of the grant requires the grantee to perform services at a significantly increased scale, and whether the size of the grant will require significant changes to the operation of the grantee's organization;

(2) for a grantee that is a nonprofit organization, the grantee's Form 990 or Form 990-EZ filed with the Internal Revenue Service in each of the prior three years. If the grantee has not been in existence long enough or is not required to file Form 990 or Form 990-EZ, the grantee must demonstrate to the grantor's satisfaction that the grantee is exempt and must instead submit the grantee's most recent board-reviewed financial statements and documentation of internal controls;

(3) for a for-profit business, three years of federal and state tax returns, current financial statements, certification that the business is not under bankruptcy proceedings, and disclosure of any liens on its assets. If a business has not been in business long enough to have three years of tax returns, the grantee must demonstrate to the grantor's satisfaction that the grantee has appropriate internal financial controls;

(4) evidence of registration and good standing with the secretary of state under Minnesota Statutes, chapter 317A, or other applicable law;

(5) if the grantee's total annual revenue exceeds \$750,000, the grantee's most recent financial audit performed by an independent third party in accordance with generally accepted accounting principles; and

(6) certification, provided by the grantee, that none of its principals have been convicted of a financial crime.

Subd. 3. **Additional measures for some grantees.** The agency may require additional information and must provide enhanced oversight for grants that have not previously received state or federal grants for similar amounts or similar duties and so have not yet demonstrated the ability to perform the duties required under the grant on the scale required.

Subd. 4. **Assistance from administration.** An agency without adequate resources or experience to perform obligations under this section may contract with the commissioner of administration to perform the agency's duties under this section.

Subd. 5. **Agency authority to not award grant.** If an agency determines that there is an appreciable risk that a grantee receiving a competitive, single source, or sole source grant cannot or would not perform the required duties under the grant agreement, the agency must notify the grantee and the commissioner of administration and give the grantee an opportunity to respond to the agency's concerns. If the grantee does not satisfy the agency's concerns within 45 days, the agency must not award the grant.

Subd. 6. **Legislatively-named grantees.** If an agency determines that there is an appreciable risk that a grantee receiving a legislatively named grant cannot or would not perform the required duties under the grant agreement, the agency must notify the grantee, the commissioner of administration, and the chair and ranking minority members of Ways and Means Committee in the house of representatives, the chairs and ranking minority members of the Finance Committee in the senate, and the chairs and ranking minority members of the committees in the house of representatives and the senate with primary jurisdiction over the bill in which the money for the grant was appropriated. The agency must give the grantee an opportunity to respond to the agency's concerns.

If the grantee does not satisfy the agency's concerns within 45 days, the agency must delay award of the grant until adjournment of the next regular or special legislative session.

Subd. 7. **Subgrants.** If a grantee will disburse the money received from the grant to other organizations to perform duties required under the grant agreement, the agency must be a party to agreements between the grantee and a subgrantee. Before entering agreements for subgrants, the agency must perform the financial review required under this section with respect to the subgrantees.

Subd. 8. **Effect.** The requirements of this section are in addition to other requirements imposed by law, the commissioner of administration under Minnesota Statutes, sections 16B.97 to 16B.98, or agency grant policy."

Renumber the sections in sequence

And when so amended the bill do pass.

Senator Pratt questioned the reference thereon and, under Rule 21, the bill was referred to the Committee on Rules and Administration.

SECOND READING OF HOUSE BILLS

H.F. No. 2310 was read the second time.

RECESS

Senator Kunesh moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Senator Dziedzic from the Subcommittee on Conference Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 1999: Senators Hawj, Morrison, Mohamed, Pha, and Housley.

Senator Dziedzic moved that the foregoing appointments be approved. The motion prevailed.

MEMBERS EXCUSED

Senator Miller was excused from the Session of today from 12:00 noon to 1:10 p.m. Senator Johnson was excused from the Session of today from 12:15 to 12:30 p.m. and from 1:20 to 1:50 p.m. Senator Nelson was excused from the Session of today from 1:20 to 1:50 p.m. Senator Howe was excused from the Session of today from 2:20 to 3:00 p.m.

ADJOURNMENT

Senator Kunesh moved that the Senate do now adjourn until 10:00 a.m., Thursday, April 20, 2023. The motion prevailed.

Upon its adjournment, the Senate attended the Joint Convention in the House Chamber to receive the State of State message delivered by the Honorable Tim Walz, Governor.

Thomas S. Bottern, Secretary of the Senate

