#### STATE OF MINNESOTA

# Journal of the House

NINETY-THIRD SESSION — 2024

## ONE HUNDRED FIFTEENTH DAY

SAINT PAUL, MINNESOTA, MONDAY, MAY 13, 2024

The House of Representatives convened at 11:00 a.m. and was called to order by Kaohly Vang Her, Speaker pro tempore.

Prayer was offered by Pastor Mark Katzenberger, Transform Church, Andover, Minnesota.

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

The roll was called and the following members were present:

Acomb	Davids	Harder	Koegel	Nelson, N.	Schomacker
Agbaje	Davis	Hassan	Kotyza-Witthuhn	Neu Brindley	Schultz
Altendorf	Demuth	Heintzeman	Kozlowski	Newton	Scott
Anderson, P. E.	Dotseth	Hemmingsen-Jaeger	Koznick	Niska	Sencer-Mura
Anderson, P. H.	Edelson	Her	Kraft	Noor	Skraba
Backer	Elkins	Hicks	Kresha	Norris	Smith
Bahner	Engen	Hill	Lawrence	Novotny	Stephenson
Bakeberg	Feist	Hollins	Lee, F.	Olson, B.	Swedzinski
Baker	Finke	Hornstein	Lee, K.	Olson, L.	Tabke
Becker-Finn	Fischer	Howard	Liebling	Pelowski	Torkelson
Bennett	Fogelman	Hudson	Lillie	Pérez-Vega	Urdahl
Berg	Franson	Huot	Lislegard	Perryman	Vang
Bierman	Frazier	Hussein	Long	Petersburg	Virnig
Bliss	Frederick	Igo	McDonald	Pfarr	West
Brand	Freiberg	Jacob	Mekeland	Pinto	Wiener
Burkel	Garofalo	Johnson	Moller	Pryor	Wiens
Carroll	Gillman	Jordan	Mueller	Pursell	Witte
Cha	Gomez	Joy	Murphy	Quam	Wolgamott
Clardy	Greenman	Keeler	Myers	Rarick	Xiong
Coulter	Grossell	Kiel	Nadeau	Rehm	Youakim
Curran	Hansen, R.	Klevorn	Nash	Reyer	Zeleznikar
Daniels	Hanson, J.	Knudsen	Nelson, M.	Robbins	Spk. Hortman

A quorum was present.

Hudella was excused.

O'Driscoll was excused until 1:35 p.m.

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

This document can be made available in alternative formats upon request. Call (651) 296-2314 [voice] or the Minnesota State Relay Service at 1-800-627-3529 [TTY] for assistance; or visit the website at http://www.house.mn.

#### REPORTS OF CHIEF CLERK

S. F. No. 716 and H. F. No. 912, which had been referred to the Chief Clerk for comparison, were examined and found to be not identical.

Agbaje moved that S. F. No. 716 be substituted for H. F. No. 912 and that the House File be indefinitely postponed. The motion prevailed.

#### REPORTS OF STANDING COMMITTEES AND DIVISIONS

Olson, L., from the Committee on Ways and Means to which was referred:

H. F. No. 4746, A bill for an act relating to labor; regulating transportation network companies; providing a civil cause of action; appropriating money; amending Minnesota Statutes 2022, section 65B.472; proposing coding for new law as Minnesota Statutes, chapter 181C.

Reported the same back with the recommendation that the bill be placed on the General Register.

The report was adopted.

Olson, L., from the Committee on Ways and Means to which was referred:

H. F. No. 5274, A bill for an act relating to horse racing; providing for the conduct of advance deposit wagering, card playing, and pari-mutuel betting; prohibiting the authorization of historical horse racing and other games; providing definitions; making clarifying and conforming changes; amending Minnesota Statutes 2022, sections 240.01, subdivisions 1c, 8, 14, by adding a subdivision; 240.30, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 240.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

## "ARTICLE 1 LAWFUL SPORTS BETTING

## Section 1. [299L.10] DEFINITIONS.

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

- <u>Subd. 2.</u> <u>Athletic event.</u> "Athletic event" means a sports game, match, or activity, or series of games, matches, activities, or tournaments involving the athletic skill of one or more players or participants. Athletic event does not include any of the following:
  - (1) horse racing as defined in section 240.01, subdivision 8;
- (2) an esports or athletic competition, demonstration, activity, or tournament organized by an elementary, middle, or high school, or by any youth activity sports program, league, or clinic; or

- (3) a fantasy sports contest in which participants assemble teams of athletes or individuals and the winning outcome reflects the relative knowledge and skill of the participants and is determined predominantly by the accumulated statistical results of the performance of athletes or individuals in an actual event.
- <u>Subd. 3.</u> <u>Authorized participant.</u> "Authorized participant" means an individual who has a valid mobile sports betting account with a mobile betting operator and is at least 21 years of age.
- Subd. 4. Casino. "Casino" means an establishment in which gaming is lawfully conducted by an Indian Tribe in the state of Minnesota pursuant to the Indian Gaming Regulatory Act and in accordance with a Tribal gaming ordinance and applicable Tribal-state compacts.
  - Subd. 5. Class III gaming. "Class III gaming" has the meaning given in United States Code, title 25, section 2703.
- <u>Subd. 6.</u> <u>College sports.</u> "College sports" means a sporting event in which at least one participant is a team or individual from a public or private institution of higher education.
- Subd. 7. Compact. "Compact" means a Tribal-state compact governing the conduct of class III gaming on Indian lands that is negotiated under section 3.9221, any other state law, or pursuant to the Indian Gaming Regulatory Act, Public Law 100-497, and future amendments to it.
- <u>Subd. 8.</u> <u>Esports event.</u> "Esports event" means a competition between individuals or teams using video games in a game, match, contest, or series of games, matches, or contests, or a tournament, or by a person or team against a specified measure of performance which is hosted at a physical location or online that meets the following conditions:
- (1) the video game does not simulate the play of a game classified as Class I, II, or III under the Indian Gaming Regulatory Act, Public Law 100-497, and future amendments to it;
  - (2) spectators are allowed to watch the competition in real time in person or online; and
- (3) the video game is approved by the commissioner to be an event eligible for wagering under this section to section 299L.80.
- Subd. 9. Indian Tribe. "Indian Tribe" means the following federally recognized Tribes and any instrumentality, political subdivision, legal entity, or other organization through which one of them conducts business:
  - (1) the Fond du Lac Band;
  - (2) the Grand Portage Band;
  - (3) the Mille Lacs Band;
  - (4) the White Earth Band;
  - (5) the Bois Forte Band;
  - (6) the Leech Lake Band;
  - (7) the Red Lake Nation;

- (8) the Upper Sioux Community;
- (9) the Lower Sioux Indian Community;
- (10) the Shakopee Mdewakanton Sioux Community; and
- (11) the Prairie Island Indian Community.
- Subd. 10. <u>In-game betting.</u> "In-game betting" means placing a mobile sports betting wager after a sporting event has started but before the outcome of the wager is determined.
- Subd. 11. <u>Mobile application.</u> "Mobile application" means an application on a mobile phone or other device through which an individual is able to place a mobile sports betting wager.
- <u>Subd. 12.</u> <u>Mobile sports betting.</u> "Mobile sports betting" means operating, conducting, or offering for play sports betting through the Internet.
- Subd. 13. <u>Mobile sports betting account.</u> "Mobile sports betting account" means an electronic ledger in which all of the following types of transactions relative to an authorized participant are recorded:
  - (1) deposits and credits;
  - (2) withdrawals;
  - (3) mobile sports betting wagers;
  - (4) monetary value of winnings;
  - (5) service or other transaction related charges authorized by the authorized participant, if any;
  - (6) adjustments to the account;
  - (7) promotional activity; and
  - (8) responsible gaming parameters.
- Subd. 14. Mobile sports betting operator. "Mobile sports betting operator" means an Indian Tribe that receives a license from the commissioner to operate, conduct, or offer for play mobile sports betting under this section to section 299L.80.
- <u>Subd. 15.</u> <u>Mobile sports betting platform.</u> "Mobile sports betting platform" means an integrated system of hardware, software, or applications, including mobile applications and servers, through which a mobile sports betting operator operates, conducts, or offers sports betting through the Internet.
- Subd. 16. Mobile sports betting platform provider. "Mobile sports betting platform provider" means a sports betting supplier that contracts with a mobile sports betting operator to provide a mobile sports betting platform.
- Subd. 17. Participant in a sporting event. "Participant in a sporting event" means a person engaging in a sporting event as a player, coach, or official, or who is an owner or officer of a team engaging in a sporting event or the league or organization organizing the sporting event.

- <u>Subd. 18.</u> <u>Sporting event.</u> "Sporting event" means an athletic event, esports event, college sports event, or other event approved by the commissioner to be an event eligible for wagering under this section to section 299L.80.
- <u>Subd. 19.</u> <u>Sports betting.</u> (a) "Sports betting" means wagering on the outcome of a sporting event or portions thereof or individual performance statistics therein that is:
- (1) organized by a professional sports organization, internationally recognized sports organization, amateur sports organization, or a postsecondary educational institution or group of postsecondary educational institutions; and
  - (2) approved by the commissioner to be an event eligible for wagering under this act.
- (b) Sports betting includes but is not limited to single-game bets; futures bets; teaser bets; parlay bets; over-under bets; money line bets; in-game betting; proposition bets; straight bets; exchange wagering; futures bets placed on end of the season standings, awards, or statistics; and any other bets approved by the commissioner.
- (c) A contract for insurance on the life or health of a participant in a sporting event is not sports betting regulated under this section to section 299L.80.
- (d) A private social bet as described in section 609.75, subdivision 3, clause (5), is not sports betting regulated under this section to section 299L.80.
- (e) A sports-themed tipboard as described in section 349.12, subdivision 34, is not sports betting regulated under this section to section 299L.80.
- Subd. 20. Sports betting supplier. "Sports betting supplier" means a person that, either directly or indirectly, provides mobile sports betting operators with services, goods, software, or any other product or information necessary to conduct sports betting or determine the outcome of wagers, including a person who provides data feeds and odds services, risk management providers, and integrity monitoring providers. Sports betting supplier does not include a sports governing body that provides raw statistical match data.
- Subd. 21. Sports governing body. "Sports governing body" means an organization that prescribes and enforces final rules and codes of conduct for a sporting event and participants engaged in the sport. For a sporting event sanctioned by a higher education institution, "sports governing body" means the athletic conference to which the institution belongs. For an esports event, "sports governing body" means the video game publisher of the title used in the esports competition.
- Subd. 22. Wager "Wager" means a transaction between an individual and a licensed mobile sports betting operator in which an individual pays, deposits, or risks cash or a cash equivalent during sports betting on an uncertain outcome of a sporting event.

## Sec. 2. [299L.11] SCOPE.

- Subdivision 1. <u>Lawful mobile sports betting.</u> A person 21 years of age or older may participate in mobile sports betting within the state provided the person places all wagers with an entity licensed under sections 299L.10 to 299L.80 and is not disqualified, prohibited, or excluded from placing a wager on a sporting event.
- Subd. 2. Unlawful sports betting. It is unlawful to wager on a sporting event, or engage in sports betting except in compliance with the terms, conditions, limitations, and restrictions of sections 299L.10 to 299L.80 or the rules adopted under those sections, other than class III sports betting conducted by an Indian Tribe pursuant to a Tribal-state compact.

Subd. 3. Inapplicability to sports betting on Indian lands. Sections 299L.10 to 299L.80, except for any provisions authorizing the negotiations of Tribal-state compacts, do not apply to sports betting conducted exclusively on Indian lands by an Indian Tribe conducted pursuant to a Tribal gaming ordinance approved by the National Indian Gaming Commission and a Tribal-state compact.

#### Sec. 3. [299L.15] POWERS AND DUTIES OF COMMISSIONER.

- <u>Subdivision 1.</u> <u>Regulate sports betting.</u> <u>The commissioner has the power and duty to regulate mobile sports betting authorized under sections 299L.10 to 299L.80. In making rules, establishing policy, and regulating mobile sports betting, the commissioner shall:</u>
  - (1) ensure that mobile sports betting is conducted in a fair and lawful manner;
  - (2) promote public safety and welfare; and
  - (3) ensure that mobile sports betting is conducted in a manner that is transparent to authorized participants.
- Subd. 2. Rulemaking. (a) The commissioner must adopt and enforce rules that are consistent with sections 299L.10 to 299L.80 and address the following subjects:
  - (1) the manner in which wagers are accepted and payouts are remitted;
  - (2) the manner in which betting lines are communicated to the public;
- (3) the calculation of gross sports betting revenue and standards for daily counting and recording of cash and cash equivalents received in the conduct of sports betting;
  - (4) the method of accounting to be used by mobile sports betting operators;
- (5) the types of records that shall be kept by mobile sports betting operators, mobile sports betting platform providers, and sports betting suppliers;
- (6) the testing and auditing requirements for licensees, including requirements related to mobile sports betting accounts;
- (7) the creation, funding, and use of mobile sports betting accounts, debit cards, and checks by authorized participants provided that the rules permit an authorized participant to fund a mobile sports betting account through a bonus or promotion, electronic bank transfer, an online or mobile payment system that supports online money transfers, a reloadable or prepaid card, and any other appropriate means approved by the commissioner other than the use of credit cards;
  - (8) the appropriate standards and practices to prevent and address compulsive and problem gambling;
- (9) the appropriate standards and practices to prevent and address sports betting by individuals who are not authorized participants or who are otherwise disqualified, prohibited, or excluded from placing a wager on a sporting event;
  - (10) the sporting events on which wagers are authorized to be placed;

- (11) the requirements for obtaining and retaining mobile sports betting operator licenses, mobile sports betting platform provider licenses, and sports wagering supplier licenses, including requirements for criminal and financial background checks, financial disclosure and auditing requirements, data practices and security requirements, bonding or other surety requirements, and the conduct of inspections:
- (12) the requirements for mobile sports betting platform provider licensees to provide equipment and supplies used in sports betting;
- (13) the requirements for sports wagering supplier licensees to provide services, goods, software, or any other product or information necessary to conduct sports betting or determine the outcome of wagers;
- (14) the requirements for employees of mobile sports betting operators whose exclusive or primary responsibilities involve mobile sports betting, including minimum age requirements, criminal background checks, and retention of documents related to the employees;
- (15) the appropriate limits, requirements, standards, and regulations related to marketing and advertising, developed in consultation with the state affiliate recognized by the National Council on Problem Gambling, including rules to address the time, place, and manner of marketing and advertising, the types of wagers that may be marketed or advertised, and the types of mobile sports betting accounts that may be marketed or advertised;
  - (16) the limits and requirements related to advertising, including:
  - (i) rules that prohibit depicting an individual under age 21 engaging in sports betting;
- (ii) rules that prohibit advertisement in any print publication or on radio, television, or any other medium if the targeted audience of that medium is reasonably expected to be individuals who are under age 21;
  - (iii) rules that establish what warnings and other information an advertisement must contain; and
  - (iv) rules that limit the frequency of advertisements;
- (17) the appropriate standards for limiting the total number of wagers an individual can place within a specified period of time and any required waiting period between placing wagers, in order to reduce the addictive impact of mobile wagering applications;
- (18) the requirements for monitoring patterns of wagering to identify behaviors consistent with problem gambling and the appropriate actions to take when problem gambling is suspected, including pausing or suspending activities from an identified mobile sports betting account; and
- (19) the appropriate limits, standards, and requirements necessary to prevent excessive wagering by an individual whose ability to control impulsive wagering is impaired in any way.
- (b) Rules for which notice is published in the State Register before January 1, 2025, may be adopted using the expedited rulemaking process in section 14.389.
- (c) The commissioner shall regularly review and update rules designed to prevent and address compulsive and problem gambling to incorporate advances in the understanding of compulsive and problem gambling and updated best practices in the area.
- Subd. 3. <u>Delegation.</u> The commissioner may delegate any of its authority under this chapter to the director if, in the judgment of the commissioner, doing so would promote the efficient administration of this chapter.

- Subd. 4. Requests for restrictions on wager types. (a) A sports governing body may request that the commissioner prohibit or restrict wagers on a particular sporting event, or prohibit or restrict particular types of wagers if the sports governing body believes that such type, form, or category of sports betting may undermine the integrity or perceived integrity of the sports governing body or sporting event.
- (b) Requests from a sports governing body shall be made in the form and manner established by the commissioner.
- (c) Upon receipt of a request made under this subdivision, the commissioner shall send written notice to every mobile sports betting operator, provide mobile sports betting operators with an opportunity to respond to the request, and consider any timely response submitted by a mobile sports betting operator. The commissioner may not take action without providing mobile sports betting operators with an opportunity to respond, but may establish reasonable deadlines for the response based on the nature of the request and any exigent circumstances that exist.
- (d) If the commissioner determines that the sports governing body has shown good cause to support the requested prohibition or restriction, the commissioner shall adopt the prohibition or restriction and send notice of the prohibition or restriction to every mobile sports betting operator. If the commissioner determines that the sports governing body has not shown good cause to support the requested prohibition or restriction, the commissioner shall provide the sports governing body with notice and an opportunity for a hearing to offer further evidence in support of its request. The commissioner shall provide the mobile sports betting operators with notice of the hearing and an opportunity to participate.
- (e) The commissioner shall respond to a request concerning a particular event before the start of the event, or if it is not feasible to respond before the start of the event, no later than seven days after the request is made.
- (f) If the commissioner determines that the requestor is more likely than not to prevail in successfully demonstrating good cause for its request, the commissioner may provisionally grant the request of the sports governing body until the commissioner makes a final determination as to whether the requestor has demonstrated good cause. Absent such a provisional grant, mobile sports betting operators may continue to offer sports betting on covered sporting events that are the subject of the request during the pendency of the commissioner's consideration of the applicable request.

## Sec. 4. [299L.20] LICENSE TYPES; TRANSFERS PROHIBITED.

- (a) The commissioner shall issue the following licenses for mobile sports betting:
- (1) up to 11 mobile sports betting operator licenses;
- (2) up to 11 mobile sports betting platform provider licenses; and
- (3) sports betting supplier licenses.
- (b) Licenses issued under sections 299L.10 to 299L.80 may not be transferred.

# Sec. 5. [299L.25] GENERAL LICENSING REQUIREMENTS; DISQUALIFICATIONS; BACKGROUND INVESTIGATIONS.

- <u>Subdivision 1.</u> <u>General requirements.</u> (a) A licensee or applicant must meet each of the following requirements, if applicable, to hold or receive a license issued under sections 299L.10 to 299L.80:
  - (1) have completed an application for licensure or application for renewal;

- (2) have paid the applicable application and licensing fees;
- (3) not be employed by any state agency with regulatory authority over mobile sports betting;
- (4) not owe \$500 or more in delinquent taxes, penalties, or interest, with delinquent taxes subject to the limitations under section 270C.72, subdivision 2;
  - (5) not have had a sales and use tax permit revoked by the commissioner of revenue within the past two years; and
  - (6) not have, after demand, failed to file tax returns required by the commissioner of revenue.
- (b) The requirements under paragraph (a) apply to the applicant or licensee, or a director, officer, partner, member of the governing body for the applicant or licensee, person in a supervisory or management position of the applicant or licensee, or any direct or indirect holder of more than ten percent financial interest in the applicant or licensee.
- (c) The requirements under paragraph (a) do not apply to an elected or appointed representative of any applicant or licensee that is an Indian Tribe unless the representative is also a full-time employee of the applicant's or licensee's mobile sports betting operations.
- <u>Subd. 2.</u> <u>Criminal offenses; disqualifications.</u> (a) No person may hold or receive a license issued under sections 299L.10 to 299L.80 if the person has been convicted of, or received a stay of adjudication for, a violation of a state or federal law that:
  - (1) is a felony, other than any act that would be a violation of section 152.025 under Minnesota law;
  - (2) is a crime involving gambling; or
  - (3) is a crime involving theft or fraud that would be a gross misdemeanor or felony under Minnesota law.
- (b) The requirements under paragraph (a) apply to the applicant or licensee, or a director, officer, partner, member of the governing body for the applicant or licensee, person in a supervisory or management position of the applicant or licensee, or any direct or indirect holder of more than ten percent financial interest in the applicant or licensee.
- (c) The requirements under paragraph (a) do not apply to an elected or appointed representative of any applicant or licensee that is an Indian Tribe unless the representative is also a full-time employee of the applicant's or licensee's mobile sports betting operations.
- Subd. 3. Background investigation. The commissioner must perform a background investigation on applicants for a license or license renewal and on each director, officer, partner, member of the governing body for the applicant or licensee, person in a supervisory or management position of the applicant or licensee, or any direct or indirect holder of more than ten percent financial interest in the applicant or licensee. The commissioner may request the director and the commissioner of revenue to assist in investigating the background of an applicant or a licensee under this section. The commissioner may charge an applicant an investigation fee to cover the cost of the investigation and shall from this fee reimburse the Division of Alcohol and Gambling Enforcement and the Department of Revenue for their respective shares of the cost of the investigation. The commissioner is authorized to have access to all data compiled by the Division of Alcohol and Gambling Enforcement on licensees and applicants.

- Subd. 4. Criminal history record check. The commissioner must perform a criminal history record check on each officer, director, or stakeholder with more than ten percent interest in the licensee or applicant. The records check must include a criminal history check of the state and federal criminal records. The applicant or licensee must provide signed consent for the national criminal history records check and fingerprints for each person subject to a check under this subdivision. The director shall assist in performing the criminal history records check. The director may charge an applicant a fee to cover the cost of the criminal history record check, and shall from this fee reimburse the Division of Alcohol and Gambling Enforcement for its share of the cost of the investigation. The commissioner or the director must submit the signed informed consent, fingerprints, and Bureau of Criminal Apprehension and Federal Bureau of Investigation fees to the superintendent of the Bureau of Criminal Apprehension who is authorized to exchange the fingerprints with the Federal Bureau of Investigation to obtain the applicant's national criminal history data. The superintendent of the Bureau of Criminal Apprehension shall retrieve Minnesota criminal history data and shall provide the results of the state and federal criminal history record check to the director. The commissioner is authorized to have access to all criminal history data compiled on licensees and applicants by the Division of Alcohol and Gambling Enforcement, including criminal history data on each officer, director, or stakeholder with more than ten percent interest in the licensee or applicant.
- <u>Subd. 5.</u> <u>Prohibition on use of information.</u> <u>The provisions of this section only apply to mobile sports betting operations and do not apply to other activities relating to Tribal gaming operations, Tribal government records, or class III sports betting operations conducted exclusively on Indian lands.</u>

## Sec. 6. [299L.26] LICENSE APPLICATION AND RENEWAL; GENERAL REQUIREMENTS; PROCEDURE.

- <u>Subdivision 1.</u> <u>Application; contents.</u> <u>An application for a license under sections 299L.10 to 299L.80 must be submitted on a form prescribed by the commissioner. At a minimum, the application must include:</u>
- (1) the name and address of the applicant and, if it is a corporation, the names of all officers, directors, and shareholders with more than ten percent interest in the corporation and any of its holding companies;
  - (2) the type of license being sought;
- (3) if required by the commissioner, the names of any person holding directly, indirectly, or beneficially an interest of any kind in the applicant or any of its holding corporations, whether the interest is financial, administrative, policy making, or supervisory. This provision does not extend to individual Tribal members whose only relation to the applicant is their membership in their respective Tribal Nations, or to an elected or appointed representative of any applicant or licensee that is an Indian Tribe unless the representative is also a full-time employee of the applicant's or licensee's mobile sports betting operations;
- (4) an affidavit executed by the applicant setting forth that, to the best of the applicant's knowledge, no officer, director, or other person with a present direct or indirect financial or management interest in the applicant:
  - (i) is in default in the payment of an obligation or debt to the state;
- (ii) has ever been convicted of a crime listed in section 299L.25, subdivision 2, paragraph (a), or has a state or federal charge for one of those crimes pending;
  - (iii) is or has been convicted of engaging in an illegal business;
  - (iv) has ever been found guilty of fraud or misrepresentation in connection with wagering; or
  - (v) has ever knowingly violated a rule or order of the commissioner or a law of Minnesota relating to wagering;

- (5) an irrevocable consent statement, signed by the applicant, which states that suits and actions limited to the enforcement of this chapter may be commenced against the applicant by the commissioner in any court of competent jurisdiction in this state by the service on the secretary of state of any summons, process, or pleadings authorized by the laws of this state. If any summons, process, or pleadings is served upon the secretary of state, it must be by duplicate copies. One copy must be retained in the Office of the Secretary of State and the other copy must be forwarded immediately by certified mail to the address of the applicant, as shown by the records of the commissioner;
- (6) a declaration that the laws of the state of Minnesota will be followed, including any applicable provisions of the Minnesota Human Rights Act, chapter 363A; and
  - (7) any additional information required for the specific license the applicant is seeking.
- Subd. 2. Application; process. (a) Applicants must submit all required information to the commissioner on the forms and in the manner prescribed by the commissioner.
- (b) If the commissioner receives an application that fails to provide the required information, the commissioner shall issue a deficiency notice to the applicant. The applicant shall have ten business days from the date of the deficiency notice to submit the required information.
  - (c) Failure by an applicant to submit all required information will result in the application being rejected.
- (d) Within 90 days of receiving a completed application, the commissioner shall issue the appropriate license or send the applicant a notice of rejection setting forth specific reasons why the commissioner did not approve the application.
- (e) An applicant whose application is not approved may reapply at any time, but must submit a new application and pay an additional application fee.

#### Sec. 7. [299L.27] DUTY TO UPDATE.

- (a) During the pendency of an application and at any time after a license has been issued, an applicant or licensee shall notify the commissioner of any changes to the information provided under section 299L.25 or 299L.26.
- (b) If a change in the officers, directors, shareholders, or other persons with a present or future direct or indirect financial or management interest in a licensee, or a change of ownership of more than ten percent of the shares of the licensee is made after the application for a license is filed or a license is issued, the applicant or licensee must notify the commissioner of the changes within ten days of their occurrence and submit a new affidavit as required by section 299L.26, subdivision 1, clause 4.

#### Sec. 8. [299L.28] MOBILE SPORTS BETTING OPERATOR LICENSE.

- <u>Subdivision 1.</u> <u>Issuance.</u> (a) The commissioner may issue up to 11 mobile sports betting operator licenses that are valid for 20 years. A mobile sports betting operator license may be renewed under conditions required by rule adopted pursuant to section 299L.15.
- (b) The commissioner shall only issue a mobile sports betting operator license to an Indian Tribe that lawfully conducts class III gaming in a casino located in this state under a facility license issued in accordance with a Tribal gaming ordinance approved by the chair of the National Indian Gaming Commission.
- (c) Each Indian Tribe described in paragraph (b) is not eligible for more than one mobile sports betting operator license.

- Subd. 2. Authorized actions. A mobile sports betting operator license entitles the licensee to:
- (1) operate, coordinate, conduct, or offer for play mobile sports betting in Minnesota;
- (2) contract with one licensed mobile sports betting platform provider to facilitate the acceptance of wagers on behalf of the mobile sports betting operator;
  - (3) contract with licensed sports betting suppliers; and
- (4) perform any other actions approved by the commissioner to ensure that mobile sports betting is conducted in a fair, lawful, and transparent manner.
  - Subd. 3. Licensing requirements. A mobile sports betting operator must:
  - (1) be an entity wholly owned and controlled by an Indian Tribe;
- (2) submit a completed application and all required documents or other materials pursuant to sections 299L.25 and 299L.26 and any relevant rules;
  - (3) submit a detailed plan and specifications for the implementation of mobile sports betting;
- (4) include mechanisms on its mobile sports betting platform that are designed to detect and prevent the unauthorized use of Internet sports betting accounts and to detect and prevent fraud, money laundering, and collusion, or require a contracted mobile sports betting platform provider to include those mechanisms;
  - (5) submit a statement of the assets and liabilities of the license holder to the commissioner;
  - (6) not be disqualified under section 299L.25 or any relevant rules;
  - (7) pay an annual licensing fee in the amount of \$2,125; and
  - (8) meet any other conditions required by rule adopted pursuant to section 299L.15.
- <u>Subd. 4.</u> <u>Reporting.</u> A mobile sports betting operator must report to the commissioner monthly on wagers placed and redeemed during the reporting month and outstanding at the time of the report.
- Subd. 5. Prohibition on use of information. The provisions of this section only apply to mobile sports betting operations in this state and do not apply to other activities relating to Tribal gaming operations, Tribal government records, or class III sports betting operations conducted exclusively on Indian lands.

## Sec. 9. [299L.29] MOBILE SPORTS BETTING PLATFORM PROVIDER LICENSE.

- Subdivision 1. **Issuance.** The commissioner may issue up to 11 mobile sports betting platform provider licenses that are valid for one year. A mobile sports betting platform provider may be renewed under conditions required by rule adopted pursuant to section 299L.15.
- <u>Subd. 2.</u> <u>Authorized actions.</u> A mobile sports betting platform provider license entitles the licensee to provide a sports betting platform, sports betting technology, sports betting applications, or associated mobile sports betting hardware, software, or equipment to a mobile sports betting operator.

- <u>Subd. 3.</u> <u>Licensing requirements.</u> For initial licensure and subsequent license renewal, a mobile sports betting platform provider must:
- (1) submit a completed application and all required documents or other materials pursuant to sections 299L.25 and 299L.26 and any relevant rules;
  - (2) not be disqualified under section 299L.25 or any relevant rules;
  - (3) pay an application fee of \$16,500 with submission of an application;
- (4) pay a licensing fee after the application is approved in the amount of \$250,000 or a license renewal fee of \$83,000; and
  - (5) meet any other conditions required by rule adopted pursuant to section 299L.15.

## Sec. 10. [299L.30] SPORTS BETTING SUPPLIER LICENSE.

- <u>Subdivision 1.</u> <u>Issuance.</u> The commissioner may issue sports betting supplier licenses that are valid for one year. A sports betting supplier license may be renewed under conditions required by rule adopted pursuant to section 299L.15.
- Subd. 2. Authorized actions. A sports betting supplier license entitles the licensee to either directly or indirectly provide mobile sports betting operators with information and support necessary to offer mobile sports betting. Information and support may be provided in the form of services, goods, or software, and may include data feeds and odds services, risk management, and integrity monitoring.
- <u>Subd. 3.</u> <u>Licensing requirements.</u> (a) For initial licensure and subsequent license renewal, a sports betting <u>supplier must:</u>
- (1) submit a completed application and all required documents for the applicant's principal owners who directly own ten percent or more of the applicant and the applicant's officers;
  - (2) pay an application fee of \$16,500 with submission of an application;
- (3) pay a licensing fee after the application is approved in the amount of \$100,000 or a license renewal fee of \$33,000; and
  - (4) meet any other conditions required by rule adopted pursuant to section 299L.15.
- (b) Provided an application has been completed to the satisfaction of the commissioner, disclosure of the following public information may be waived:
  - (1) statutorily authorized pension investment boards that are direct or indirect shareholders of an applicant; and
- (2) investment funds or entities registered with the Securities and Exchange Commission, including any investment advisors or entities under the management of an entity registered with the Securities and Exchange Commission, that are direct or indirect shareholders of the applicant.

#### Sec. 11. [299L.35] PARTNERSHIP ALLOWED.

Subdivision 1. Ability to contract with platform providers. (a) A mobile sports betting operator may, but is not required to, contract with a mobile sports betting platform provider to provide, create, or operate sports betting platforms, sports betting technology, sports betting applications, or associated mobile sports betting hardware, software, or equipment.

- (b) If a mobile sports betting operator chooses to contract with a mobile sports betting platform provider for these services, it shall contract with no more than one mobile sports betting platform provider.
- (c) If a mobile sports betting operator chooses not to contract with a mobile sports betting platform provider for these services, then the mobile sports betting operator must comply with the reporting and regulatory requirements held by mobile sports betting platform provider license holders.
- Subd. 2. Logo display required. A mobile sports betting platform provider that has contracted with a mobile sports betting operator must clearly display a brand of the mobile sports betting operator within its mobile application.

#### Sec. 12. [299L.36] DEPOSIT OF FEES.

Application, license, and renewal fees shall be deposited in the general fund.

#### Sec. 13. [299L.37] ADVERTISING.

<u>Subdivision 1.</u> <u>Prohibition on targeting individuals under age 21.</u> <u>No licensee or other person shall publish or cause to be published an advertisement for mobile sports betting that:</u>

- (1) depicts a person under age 21 engaging in sports betting or mobile sports betting;
- (2) includes an image that is designed to be appealing to individuals under age 21 or encourage sports betting by individuals under age 21; or
- (3) is in any print publication or on radio, television, or any other medium if 30 percent or more of the audience of that medium is reasonably expected to be individuals who are under age 21, as determined by reliable, current audience composition data.
- Subd. 2. Prohibition on targeting individuals prohibited from placing wagers. No licensee or other person shall publish or cause to be published an advertisement for mobile sports betting that targets individuals who are disqualified, prohibited, or excluded from placing a wager on a sporting event for any reason, including being identified on the exclusion list identified in section 299L.45, subdivision 1.
- <u>Subd. 3.</u> <u>**Prohibition on advertising in certain locations.** No licensee or other person shall place or cause to be placed an advertisement for mobile sports betting:</u>
  - (1) in a personal vehicle as defined in section 65B.472, subdivision 1, paragraph (c);
  - (2) in a taxicab, limousine, or for-hire vehicle;
  - (3) at a bus stop or train stop location, transit shelter, or transit passenger seating facility;
  - (4) at a taxi stand or other transportation waiting area;

- (5) at any airport; or
- (6) at any other similar location.
- Subd. 4. Prohibition on false or misleading claims. No licensee or other person shall publish or cause to be published an advertisement for mobile sports betting that contains false or misleading claims or which contains statements, words, or pictures of an obscene, indecent, or immoral character, or such as would offend public morals or decency.

## Sec. 14. [299L.40] WAGERING.

- Subdivision 1. Placing wagers. An individual who is 21 years of age or older may place wagers pursuant to sections 299L.10 to 299L.80 provided the individual is not otherwise disqualified, prohibited, or excluded from doing so.
- Subd. 2. Wager type. A mobile sports betting operator, or a mobile sports betting platform provider on behalf of a mobile sports betting operator, may only accept wagers of a type previously approved by the commissioner. Wager types that the commissioner may approve include but are not limited to the following:
- (1) a wager that a participant or participating team will win a sporting event or will win by a specified number of points;
- (2) a wager as to whether the total points scored in a sporting event will be higher or lower than a number specified;
- (3) a wager on an outcome contingency or proposition incidental to a sporting event, series, tournament, or season for which the outcome is published in newspapers of general circulation or in records made publicly available by the league or governing body for the event;
- (4) a wager on the outcome of a series of two or more sporting events or a series of two or more contingencies incidental to a sporting event;
  - (5) in-game betting;
  - (6) future bets placed on end of the season standings, awards, or statistics; and
- (7) a wager that a participant or participating team will win an esports event or will win by a specified number of points.
- Subd. 3. Wager types prohibited. Mobile sports betting operators shall not offer or accept wagers on the occurrence or outcomes of the following situations that may occur during or after a sporting event:
  - (1) player injuries;
  - (2) penalties;
  - (3) the outcome of player disciplinary rulings; or
  - (4) replay reviews.

- <u>Subd. 4.</u> <u>Mobile sports betting account; establishment.</u> (a) An individual may establish a mobile sports betting account by electronic means from any location, and may fund an account by any means approved by the commissioner.
- (b) Money deposited in a mobile sports betting account may not be used to place a wager until at least three hours have passed from the time of the deposit.
- (c) Information provided by an individual who establishes a mobile sports betting account may be accessed, stored, and used by a mobile sports betting operator.
- Subd. 5. Consideration; mobile sports betting account. (a) A mobile sports betting operator or mobile sports betting platform provider must not accept a wager unless the authorized participant provides consideration in the form of funds or other thing of value such as use of free bets or promotional credits from their mobile sports betting account at the time of making the wager.
- (b) Consideration must be in the form of withdrawal from a mobile sports betting account maintained by the mobile sports betting operator or mobile sports betting platform provider for the benefit of and in the name of the wagerer.
- (c) A mobile sports betting operator, or a mobile sports betting platform provider on behalf of a mobile sports betting operator, shall verify an individual's age and identity before allowing that individual to place a wager. Mobile sports betting operators and mobile sports betting platform providers may utilize an approved identity verification service provider to confirm an individual's age and identity.
- (d) A person shall have the right to withdraw the balance of funds in the mobile sports betting account in the person's name at any time with proof of identity, as determined by rules adopted pursuant to section 299L.15.
- Subd. 6. **Wager location.** Mobile sports betting wagers regulated under sections 299L.10 to 299L.80 may only be accepted from a person placing a wager online, through a website or mobile application, while the person placing the wager is physically within the state. The website or application may be hosted by a mobile sports betting operator operating in conjunction with a mobile sports betting platform provider. The incidental routing of a mobile sports wager shall not determine the location or locations in which the wager is initiated, received, or otherwise made.
- Subd. 7. Information provided at the time of wager. A mobile sports betting operator or mobile sports betting platform provider must disclose the betting line and terms of a wager prior to accepting a wager. Terms of the wager include the ratio of the amount to be paid for winning to the wagered amount.
- <u>Subd. 8.</u> <u>Outcome determined.</u> A mobile sports betting operator or mobile sports betting platform provider must not accept a wager on the outcome of an event or proposition that has already been determined.
- Subd. 9. Receipt. A mobile sports betting operator must provide a person who places a wager with an electronic receipt at the time of sale that contains the following information:
  - (1) the sporting event or proposition that is the subject of the wager;
  - (2) the outcome that will constitute a win on the wager;
  - (3) the amount wagered; and
  - (4) the payout in the event of a winning wager.

- Subd. 10. Wager data; safeguards necessary. (a) Information regarding wagers made by an authorized participant who engages in mobile sports betting, including but not limited to wager type and consideration paid, may be accessed, stored, or used for ordinary business purposes by the mobile sports betting operator.
- (b) Mobile sports betting operators must use commercially reasonable methods to maintain the security of wager data, authorized participant data, and other confidential information from unauthorized access and dissemination, however, that nothing in this act shall preclude the use of Internet or cloud-based hosting of such data and information or disclosure as required by court order, other law, or this act.

## Sec. 15. [299L.41] PROHIBITION ON PUSH NOTIFICATIONS.

Mobile sports betting operators and mobile sports betting platform providers are prohibited from sending a message from a mobile sports betting application or website that appears on a user's device while the application or website is inactive unless the message is sent to notify the user of potentially fraudulent activity associated with the user's mobile sports betting account.

#### Sec. 16. [299L.45] EXCLUSION LIST AND PROHIBITION ON WAGERING.

- <u>Subdivision 1.</u> <u>Exclusion list.</u> (a) The commissioner shall maintain a list of persons who are not eligible to wager on sporting events through a mobile sports betting operator. The list shall include the names of:
  - (1) persons who have themselves requested to be on the exclusion list;
  - (2) persons whose names have been submitted, for their protection, by their legal guardians;
- (3) persons whose names have been submitted by mobile sports betting operators, mobile sports betting platform providers, or mobile sports betting suppliers for good cause; and
  - (4) persons whose names have been submitted by sports governing bodies.
- (b) A person who has requested to be on the exclusion list may specify a time limit of one, three, or five years for the person's name to be on the list. The commissioner will remove the person's name from the list at the conclusion of the specified time. A person may be removed from the list before the specified time by providing proof of completion of a class approved by the commissioner to address compulsive gambling.
- (c) The information contained on the list is private data on individuals, as defined in section 13.02, subdivision 12, except the commissioner is permitted to share the list with mobile sports betting operators as needed to prevent persons on the exclusion list from placing sports betting wagers.
- Subd. 2. **Prohibited wagers by certain persons.** The following individuals who are otherwise authorized to place wagers are prohibited from placing the wagers described:
- (1) an individual who is prohibited from placing wagers by a mobile sports betting operator or mobile sports betting platform provider for good cause, including, but not limited to, any individual placing a wager as an agent or proxy on behalf of another may not place a wager of any kind;
- (2) an individual who is an athlete, coach, referee, player, health care provider, or team employee is prohibited from wagering on a sporting event overseen by that person's sports governing body;
- (3) an individual who holds a position of authority sufficient to exert influence over the participants in a sporting event, including, but not limited to, a coach, manager, or owner is prohibited from wagering on that sporting event; and

- (4) an individual who has access to certain types of exclusive or nonpublic information regarding a sporting event is prohibited from wagering on that sporting event and any other sporting event overseen by the sports governing body of that sporting event.
- Subd. 3. **Prohibition on accepting wagers.** (a) A mobile sports betting operator or mobile sports betting platform provider shall not knowingly accept a wager from a person on the exclusion list or allow a person on the exclusion list to establish a mobile sports betting account.
- (b) A mobile sports betting operator or a mobile sports betting platform provider shall not knowingly accept a wager prohibited under subdivision 2 from any individual who can reasonably be identified by publicly available information or by any lists provided to the commissioner.
- (c) Knowingly accepting a wager from a person on the exclusion list is a license violation, subject to a penalty established by the commissioner.

#### Sec. 17. [299L.50] FINANCIAL RESPONSIBILITY.

- Subdivision 1. Responsibility for satisfying winning wagers. A wager on a sporting event placed with a mobile sports betting operator is an enforceable contract. A mobile sports betting operator or mobile sports betting platform provider who accepts a wager bears all risk of loss to satisfy winnings on the wager. A wager that is not redeemed within one year of the outcome that is the subject of the wager may be canceled by the mobile sports betting operator and its sports betting platform provider.
- <u>Subd. 2.</u> <u>Cash reserves.</u> (a) A mobile sports betting operator shall, in conjunction with the mobile sports betting platform provider, maintain cash reserves in an amount that is not less than the greater of \$25,000 or the sum of the following three amounts:
- (1) amounts held by the mobile sports betting operator for the mobile sports betting accounts of authorized participants;
- (2) amounts accepted by the mobile sports betting operator as wagers on contingencies whose outcome have not been determined; and
- (3) amounts owed but unpaid by the mobile sports betting operator on winning wagers through the period established by the operator, subject to time limits set by the commissioner, for honoring winning wagers.
- (b) Such reserves shall be held in the form of cash or cash equivalents segregated from operational funds, payment processor reserves and receivables, any bond, an irrevocable letter of credit, or any combination thereof.
- Subd. 3. **Bond.** A mobile sports betting operator or mobile sports betting platform provider shall be required to post a bond, securities, or an irrevocable letter of credit in an amount the commissioner deems necessary after taking into consideration the amount of the mobile sports betting operator's cash reserves, to protect the financial interests of people wagering on sporting events. If securities are deposited or an irrevocable letter of credit filed, the securities or letter of credit must be of a type or in the form provided under section 349A.07, subdivision 5, paragraphs (b) and (c).

## Sec. 18. [299L.51] INTEGRITY MONITORING.

(a) Each mobile sports betting operator or mobile sports betting platform provider must contract with a licensed independent integrity monitoring provider in order to identify any unusual betting activity or patterns that may indicate a need for further investigation. The commissioner shall establish minimum standards requiring each mobile sports betting operator or mobile sports betting platform provider to participate in the monitoring system as part of that licensee's minimum internal control standards.

- (b) If any unusual betting activity is deemed by independent integrity monitoring provider to have risen to the level of suspicious betting activity, then the independent integrity monitoring provider shall immediately report the suspicious activity to the commissioner, all mobile sports betting operator or mobile sports betting platform provider licensees that contract with that integrity provider, and the sports governing body that governs the sporting event on which the suspicious activity was deemed to have taken place.
- (c) The commissioner, mobile sports betting operators, and any sports governing body that receives the information described in paragraph (b) from an independent integrity monitoring provider must maintain the confidentiality of the information, and use the information solely for purposes of investigating or preventing the conduct described in this section unless disclosure is required by this act, the commissioner, other law, or court order, or unless the sports governing body consents to disclosure. The information may not be used for any commercial or other purpose.
- (d) Notwithstanding paragraph (c), a sports governing body may make disclosures necessary to conduct and resolve integrity-related investigations and may publicly disclose such information if required by the sports governing body's integrity policies or if deemed by the sports governing body in its reasonable judgment to be necessary to maintain the actual or perceived integrity of its sporting events. Prior to any such public disclosure that would identify the mobile sports betting operator by name, the sports governing body will provide the mobile sports betting operator with notice of such disclosure and an opportunity to object to such disclosure.

#### Sec. 19. [299L.53] RECORD KEEPING; INFORMATION SHARING.

- Subdivision 1. **Record retention.** (a) Mobile sports betting operators shall maintain records of all bets and wagers placed, including personally identifiable information of an authorized participant, amount and type of wager, time the wager was placed, location of the wager, including IP address if applicable, the outcome of the wager, and records of abnormal betting activity for 3-1/2 years after the sporting event occurs.
- (b) Mobile sports betting operators shall maintain video camera recordings in the case of in-person wagers for at least one year after the sporting event occurs.
- (c) Mobile sports betting operators shall make the data described in paragraphs (a) and (b) available for inspection upon request of the commissioner or as required by court order.
- Subd. 2. Anonymization required. Mobile sports betting operators shall use commercially reasonable efforts to maintain in real time and at the account level anonymized information regarding an authorized participant, amount and type of wager, the time the wager was placed, the location of the wager, including the IP address if applicable, the outcome of the wager, and records of abnormal betting activity. Nothing in this section shall require a mobile sports betting operator to provide any information that is prohibited by federal, state, or local laws or regulations, including laws and regulations relating to privacy and personally identifiable information.
- Subd. 3. **Information sharing.** (a) If a sports governing body has notified the commissioner that access to the information described in subdivision 2 for wagers placed on sporting events of the sports governing body is necessary to monitor the integrity of such body's sporting events, then mobile sports betting operators shall share, in a commercially reasonable frequency, form, and manner, with the sports governing body or its designees the information under subdivision 2 with respect to sports wagers on sporting events of such sports governing body.
- (b) Sports governing bodies and their designees may only use information received under this section for integrity-monitoring purposes and may not use information received under this section for any commercial or other purpose.

- (c) Mobile sports betting operators must share, in a time and manner prescribed by the commissioner, the information described in subdivision 2 with the University of Minnesota for the purpose of conducting research to ensure the integrity of sports betting or assist the commissioner of human services in improving state-funded services related to responsible gambling and problem gambling. Information that the University of Minnesota receives from mobile sports betting operators under this paragraph constitutes data on the mobile sports betting operator and is classified as nonpublic data, as defined by section 13.02. The University of Minnesota must not disclose the information to any person, except for the purpose of conducting the research described in this paragraph, as part of a peer-reviewed research report, or pursuant to an agreement between the University of Minnesota and the mobile sports betting operators or sports governing body.
- (d) Nothing in this section shall require a mobile sports betting operator to provide any information that is prohibited by federal, state, or local laws or regulations, including without limitation laws and regulations relating to privacy and personally identifiable information.

## Sec. 20. [299L.55] INSPECTION AND AUDITING OF LICENSEES.

Subdivision 1. **Inspection.** The commissioner and the director are authorized to inspect the accounting records of licensees at any time provided the licensee is given notice at least 24 hours before the inspection. This provision only applies to mobile sports betting operations and does not authorize the inspection of records related to Tribal gaming operations, Tribal governmental records, or class III sports betting operations conducted exclusively on Indian Lands.

Subd. 2. Annual audit. To ensure compliance with this chapter and rules adopted under this chapter, a mobile sports betting operator must contract with an independent third party to perform a financial audit, consistent with the standards established by the Public Company Accounting Oversight Board or using the Statements on Accounting standards issued by the Audit Standards Board of the American Institute of Certified Public Accountants. The mobile sports betting operator must submit the audit to the commissioner for examination and inspection within 120 days of the end of its fiscal year.

## Sec. 21. [299L.60] LICENSE VIOLATIONS; ENFORCEMENT.

Subdivision 1. Schedule of penalties. The commissioner must adopt rules that provide a graduated schedule of penalties for violations of license requirements under statute or rule. The schedule must specify penalties that may range from warnings and probation periods to civil fines, temporary suspension of licenses, or revocation of licenses.

- Subd. 2. Authority to act. (a) The commissioner may issue administrative orders, impose civil penalties, and suspend, revoke, or not renew a license issued pursuant to sections 299L.10 to 299L.80 if the commissioner determines that a licensee has committed or is about to commit a violation of those sections or rules adopted pursuant to those sections, or if the commissioner determines that the licensee is disqualified or ineligible to hold a license pursuant to section 299L.25 or 299L.26. A conviction for a violation of section 299L.80 is not required for the commissioner to take action on a violation.
- (b) Enforcement actions, license suspensions, license revocations, or license nonrenewals related to a specific mobile sports betting operator shall not impact or limit the ability of another mobile sports betting operator to conduct, offer, or offer for play mobile sports betting.

- Subd. 3. **Temporary suspension.** (a) The commissioner may temporarily, without hearing, suspend the license and operating privilege of any licensee for a period of up to 90 days if there is clear and convincing evidence that:
- (1) conduct of a licensee, or anticipated failure of a licensee to fulfill an obligation, requires immediate action to protect the public from harm;
  - (2) the licensee has not timely filed a tax return or paid the tax required under chapter 297J; or
  - (3) the licensee has not timely paid all license fees or penalties due under sections 299L.10 to 299L.80.
- (b) The commissioner shall notify the licensee of the violation that caused the temporary suspension and may lift the temporary suspension if the licensee corrects the violation.
- (c) The commissioner may extend the period of suspension if the violation is not corrected, the commissioner notifies the business that it intends to revoke or not renew a license, and a contested case hearing has not taken place.
- Subd. 4. Notice of violation; administrative orders; request for reconsideration; demand for hearing. (a) The commissioner may issue an administrative order to any licensee who has committed a violation. The order may require the licensee to correct the violation or to cease and desist from committing the violation and may impose civil penalties. The order must state the deficiencies that constitute a violation, the time by which the violation must be corrected, and the amount of any civil penalty.
- (b) If the licensee believes the information in the administrative order is in error, the licensee may ask the commissioner to reconsider any parts of the order that are alleged to be in error. The request must be in writing, delivered to the commissioner by certified mail within seven days after receipt of the order, and provide documentation to support the allegation of error. The commissioner must respond to a request for reconsideration within 15 days after receiving the request. A request for reconsideration does not stay the order unless the commissioner issues a supplemental order granting additional time. The commissioner's disposition of a request for reconsideration is final.
- (c) An administrative order that imposes a civil penalty of more than \$2,000 shall be treated as a contested case under chapter 14.
- (d) A licensee may request a hearing on the administrative order within 30 days of the service of the order. The request must be in writing and delivered to the commissioner by certified mail. If the licensee does not request a hearing within 30 days, the order becomes final.
- (e) If the licensee requests a hearing, the hearing must be held not later than 30 days after the commissioner receives the request unless the licensee and the commissioner agree on a later date. After the hearing, the commissioner may enter an order making such disposition as the facts require. If the licensee fails to appear at the hearing after having been notified of it, the licensee is considered in default and the proceeding may be determined against the licensee on consideration of the administrative order, the allegations of which may be considered to be true. An action of the commissioner under this paragraph is subject to judicial review pursuant to chapter 14.
- (f) Civil penalties collected by the commissioner shall be deposited in the general fund. Civil penalties may be recovered in a civil action in the name of the state brought in the district court.
- Subd. 5. Revocation, nonrenewal, civil penalties; contested case. If the commissioner intends to revoke or not renew a license, or impose a civil penalty in excess of \$2,000, the commissioner shall provide the licensee with a statement of the complaints made against the licensee and shall initiate a contested case proceeding. The contested case shall be held pursuant to chapter 14.
- Subd. 6. Penalties. In addition to penalties listed in this section, a person or licensee who violates the provisions of sections 299L.10 to 299L.80 is subject to any applicable criminal penalty.

#### Sec. 22. [299L.65] REPORTING.

Subdivision 1. Financial report. By June 1 of each year, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety, the legislative committees with jurisdiction over taxes, the committee in the house of representatives with jurisdiction over commerce, the committee in the senate with jurisdiction over state government finance and policy, the committee in the house of representatives with jurisdiction over ways and means, and the committee in the senate with jurisdiction over finance. The report must describe the activities of the commissioner with respect to wagering on sporting events and include summary financial information on sports betting and the regulated sports betting industry as a whole. The report must not include information or data on individuals or entities that is classified as private data under section 299L.70 or separately list the earnings, wagers, or tax revenue generated by or use identifying information for specific mobile sports betting operators.

- Subd. 2. License activity report. By February 1 of each year beginning in 2025, the commissioner shall submit a report to the chairs and ranking minority members of the committees in the house of representatives and the senate with jurisdiction over public safety, the committee in the house of representatives with jurisdiction over commerce, and the committee in the senate with jurisdiction over state government finance and policy on the following:
- (1) the status of applications for licenses issued by the commissioner, including the number of applications for each type of license, the number of licenses of each type issued, and the average time between receipt of a complete application and issuance of each type of license;
  - (2) an overview of the sports betting market, including but not limited to the actual and anticipated demand:
- (3) the amount of revenue generated to the state by sports betting and the expenses incurred by the commissioner in enforcing restrictions on lawful sports betting; and
- (4) the commissioner's enforcement actions taken against persons licensed under sections 299L.10 to 299L.80 for licensing violations, including violations of the rules adopted under section 299L.15.

### Sec. 23. [299L.70] DATA PROTECTIONS.

- Subdivision 1. Classification. Data in which an individual who has wagered on sporting events is identified by name, account number, Social Security number, or any other uniquely identifying indicia, is private data on individuals, as defined in section 13.02, subdivision 12. Data on individual earnings of mobile sports betting operators, mobile sports betting operator application and licensing information, and all Tribal revenue records unassociated with mobile sports betting operators is nonpublic data, as defined in section 13.02, subdivision 9.
- Subd. 2. Sale of private data on individuals. The commissioner shall revoke any license issued under sections 299L.10 to 299L.80 of a person who sells data on individuals that would be classified as private under subdivision 1 collected through the practice of sports betting.

## Sec. 24. [299L.75] LOCAL RESTRICTIONS; PROHIBITION ON LOCAL TAXES OR FEES.

No political subdivision may require a local license to offer sports betting or impose a tax or fee on the sports betting conducted pursuant to this chapter.

#### Sec. 25. INDIAN TRIBES; COMPACTS TO BE NEGOTIATED.

The governor or the governor's designated representatives shall negotiate in good faith new Tribal-state compacts regulating the conduct of class III sports betting on the Indian lands of an Indian Tribe requesting negotiations, under Minnesota Statutes, section 3.9221. Compacts in effect on January 1, 2024, shall not be modified to accommodate sports betting.

#### Sec. 26. **EFFECTIVE DATE.**

Except as otherwise provided, this article is effective July 1, 2024.

## ARTICLE 2 TAXATION OF SPORTS BETTING

- Section 1. Minnesota Statutes 2022, section 270B.07, is amended by adding a subdivision to read:
- <u>Subd. 6.</u> <u>Disclosure to Department of Public Safety.</u> <u>The commissioner may disclose return information to the commissioner of public safety for the purpose of verifying licensure requirements under sections 299L.25 and 349C.03.</u>

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

## Sec. 2. [297J.01] DEFINITIONS.

<u>Unless otherwise defined in this chapter, or unless the context clearly indicates otherwise, the following terms have the meanings given:</u>

- (1) "cash equivalent" means the cash value of any free bets, promotional credits, and any other noncash form of consideration, payment, or compensation;
  - (2) "casino" has the meaning given in section 299L.10, subdivision 4;
  - (3) "commissioner" means the commissioner of revenue;
  - (4) "mobile sports betting operator" has the meaning given in section 299L.10, subdivision 14;
  - (5) "sporting event" has the meaning given in section 299L.10, subdivision 18;
  - (6) "sports betting" has the meaning given in section 299L.10, subdivision 19;
- (7) "sports betting net revenue" means the total of all cash and cash equivalents received in a month by a mobile sports betting operator from wagers on sporting events, less the following:
  - (i) cash paid out as winnings in the month; and
  - (ii) the fair market value of noncash prizes paid out as winnings in the month; and
  - (8) "wager" has the meaning given in section 299L.10, subdivision 22.

**EFFECTIVE DATE.** This section is effective for sports betting net revenue received after June 30, 2024.

#### Sec. 3. [297J.02] TAX ON SPORTS BETTING NET REVENUE.

- <u>Subdivision 1.</u> <u>Tax imposed.</u> (a) Except as provided in paragraph (b), a tax is imposed on sports betting net revenue received equal to 20 percent on wagers placed online through a website or mobile application, as allowed under section 299L.40.
- (b) Any wager placed on Indian lands is not subject to state taxation. For purposes of this chapter, a wager is placed at the physical location of the individual placing the wager.
- Subd. 2. Sports betting net revenue tax in lieu of other taxes. Income derived by a mobile sports betting operator from the conduct of wagering on a sporting event is not subject to the tax imposed in chapter 290. Wagers accepted by a mobile sports betting operator are not subject to the tax imposed in section 297A.62 or 297E.03.
- Subd. 3. Returns; due dates. A mobile sports betting operator must file a return by the 20th day of each month reporting the tax due under this section for the preceding month. The return must include the amount of all wagers received, payouts made, all sports betting taxes owed, and other information required by the commissioner. The tax under this chapter is due to be paid to the commissioner on the day the return is due.
- <u>Subd. 4.</u> <u>Distribution of revenues; account established.</u> (a) The commissioner must deposit the revenues, including penalties and interest, derived from the tax imposed by this section as follows:
  - (1) 80 percent to the general fund; and
  - (2) 20 percent to the sports betting revenue account in the special revenue fund.
  - (b) The sports betting revenue account is established in the special revenue fund.
- Subd. 5. **Distribution of money.** (a) All amounts collected in the previous fiscal year by the commissioner in the sports betting revenue account must be distributed annually by October 1 as provided in this subdivision. Any money remaining in the account at the end of each fiscal year does not cancel. Interest and income earned on money in the account, after deducting any applicable charges, shall be credited to the account. After deducting any amounts necessary to pay the refunds, the money shall be distributed as provided in paragraphs (b) and (d).
  - (b) 50 percent is appropriated to the commissioner of human services, of which:
- (1) one-third is for the compulsive gambling treatment program established under section 245.98 which must also be available for up to 60 hours of intervention services for a family member or concerned significant other who is a Minnesota resident and is negatively impacted by problem or compulsive gambling;
  - (2) one-third is for emergency services grants under section 256E.36; and
- (3) one-third is for a grant to the state affiliate recognized by the National Council on Problem Gambling to increase public awareness of problem gambling, provide education and training for individuals and organizations providing effective treatment services to problem gamblers and their families, and conduct research relating to problem gambling.
- (c) Money appropriated by this subdivision must supplement and must not replace existing state funding for these programs. Money appropriated from the sports betting revenue account under this subdivision is available until expended.

(d) 50 percent shall be transferred to the amateur sports integrity and participation account established pursuant to section 240A.15, subdivision 1.

**EFFECTIVE DATE.** This section is effective for sports betting net revenue received after June 30, 2024.

## Sec. 4. [297J.03] MOBILE SPORTS BETTING OPERATOR REPORTS AND RECORDS.

Subdivision 1. **Business records.** A mobile sports betting operator must maintain records supporting the sports betting activity and taxes owed. Records required to be kept in this section must be preserved by the mobile sports betting operator for at least 3-1/2 years after the return is due or filed, whichever is later, and may be inspected by the commissioner at any reasonable time without notice or a search warrant.

Subd. 2. Audits. The commissioner may require a financial audit of a mobile sports betting operator's sports betting activities if the mobile sports betting operator has failed to comply with this chapter, including failure to timely file returns or pay tax, or take corrective actions required by the commissioner. Audits must be performed by an independent accountant licensed according to chapter 326A. The commissioner must prescribe standards for an audit required under this subdivision. A complete, true, and correct copy of an audit must be filed as prescribed by the commissioner. Nothing in this subdivision limits the commissioner's ability to conduct its own audit pursuant to its authority under chapter 270C.

**EFFECTIVE DATE.** This section is effective for sports betting net revenue received after June 30, 2024.

#### Sec. 5. [297J.04] OTHER PROVISIONS APPLY.

Except for those provisions specific to distributors, gambling products, or gambling equipment, sections 297E.02, subdivisions 9 and 10, and 297E.10 to 297E.14 apply to this chapter.

## ARTICLE 3 FANTASY CONTESTS

#### Section 1. [349C.01] DEFINITIONS.

<u>Subdivision 1.</u> <u>Terms.</u> For the purposes of this chapter, the following terms have the meanings given.

- Subd. 2. Adjusted gross fantasy contest receipts. "Adjusted gross fantasy contest receipts" means the amount equal to the total of all entry fees that a fantasy contest operator collects from all participants minus the total of all prizes paid out to all participants multiplied by the location percentage for this state.
- <u>Subd. 3.</u> <u>Athletic event.</u> "Athletic event" means a sports game, match, or activity, or series of games, matches, activities, or tournaments involving the athletic skill of one or more players or participants.
- Subd. 4. <u>Authorized participant.</u> "Authorized participant" means an individual who has a valid fantasy contest account with a fantasy contest operator and is at least 21 years of age.
- Subd. 5. <u>College sports.</u> "College sports" means a sporting event in which at least one participant is a team or individual from a public or private institution of higher education.
  - Subd. 6. Commissioner. "Commissioner" means the commissioner of public safety.
- Subd. 7. Entry fee. "Entry fee" means cash or cash equivalent that is required to be paid by an authorized participant and set in advance by a fantasy contest operator to participate in a fantasy contest.

- Subd. 8. Esports event. "Esports event" means a competition between individuals or teams using video games in a game, match, or contest, or series of games, matches, or contests, or a tournament, or by a person or team against a specified measure of performance which is hosted at a physical location or online that is approved by the commissioner to be an event eligible for fantasy contests under this chapter.
  - Subd. 9. Fantasy contest. "Fantasy contest" means any simulated game or contest, with an entry fee, in which:
- (1) the value of all prizes offered to a winning authorized participant are established and made known to the authorized participant in advance of the contest;
  - (2) all winning outcomes reflect the relative knowledge and skill of the authorized participant; and
- (3) the authorized participant assembles, owns, or manages a fictional entry or roster of actual professional or amateur athletes, who participate in real-world sports events, or esports events that are regulated by a governing body and that are held between professional players who play individually or as teams.
- <u>Subd. 10.</u> <u>Fantasy contest account.</u> <u>"Fantasy contest account" means an electronic ledger in which the</u> following types of transactions relative to an authorized participant are recorded:
  - (1) deposits and credits;
  - (2) withdrawals;
  - (3) fantasy contest wagers;
  - (4) monetary value of winnings;
  - (5) service or other transaction related charges authorized by the authorized participant, if any;
  - (6) adjustments to the account;
  - (7) promotional activity; and
  - (8) responsible gaming parameters.
- Subd. 11. Fantasy contest operator. "Fantasy contest operator" means an entity that is licensed by the commissioner to operate, conduct, or offer for play fantasy contests under this chapter. A fantasy contest operator shall not be an authorized participant in a fantasy contest.
- Subd. 12. Governing body. "Governing body" means an organization headquartered in the United States that prescribes and enforces final rules and codes of conduct for a sporting event and participants engaged in the sport. Notwithstanding the foregoing, the commissioner shall adopt rules to determine the governing body for electronic sports for the purposes of this chapter.
- Subd. 13. Location percentage. "Location percentage" means the percentage rounded to the nearest tenth of one percent of the total entry fees collected from authorized participants located in this state divided by the total entry fees collected from all players in the fantasy contest activity.

- Subd. 14. Sports event. "Sports event" means an athletic event, esports event, college sports event, or other event approved by the commissioner to be an event eligible for participation in a fantasy contest under this chapter. Sports event does not include:
  - (1) horse racing as defined in section 240.01, subdivision 8; or
- (2) an esports or athletic event, demonstration, activity, or tournament organized by an elementary, middle, or high school, or by any youth activity sports program, league, or clinic.
- Subd. 15. Wager. "Wager" means a transaction between an authorized participant and a licensed fantasy contest operator in which an authorized participant pays, deposits, or risks cash or a cash equivalent as an entry fee into a fantasy contest.

## Sec. 2. [349C.02] POWERS AND DUTIES OF THE COMMISSIONER.

- Subdivision 1. Regulate fantasy contests. The commissioner has the power and duty to regulate fantasy contests authorized under this chapter. In making rules, establishing policy, and regulating fantasy contests, the commissioner shall:
  - (1) ensure that fantasy contests are conducted in a fair and lawful manner;
  - (2) promote public safety and welfare; and
  - (3) ensure that fantasy contests are conducted in a manner that is transparent to authorized participants.
- <u>Subd. 2.</u> <u>Rulemaking.</u> (a) The commissioner must adopt and enforce rules consistent with this chapter that address:
  - (1) the manner in which wagers are accepted and payouts are remitted;
  - (2) the types of records that shall be kept by fantasy contest operators;
- (3) the testing and auditing requirements for licensees, including requirements related to fantasy contest accounts;
  - (4) the method of accounting used by fantasy contest operators;
- (5) the creation, funding, and use of fantasy contest accounts, debit cards, and checks by authorized participants, provided that the rules permit an authorized participant to fund a fantasy contest account through a bonus or promotion, electronic bank transfer, an online or mobile payment system that supports online money transfers, a reloadable or prepaid card, and any other appropriate means approved by the commissioner, not including the use of credit cards;
  - (6) the appropriate standards and practices to prevent and address compulsive and problem gambling;
- (7) the appropriate standards and practices to prevent and address fantasy contest entry by individuals who are not authorized participants or who are otherwise disqualified, prohibited, or excluded from contest entry;
  - (8) the sporting events eligible for fantasy contests;

- (9) the requirements for obtaining and retaining fantasy contest operator licenses, including requirements for criminal and financial background checks, financial disclosure and auditing requirements, data practices and security requirements, bonding or other surety requirements, and the conduct of inspections;
- (10) investigation into any licensed or unlicensed person or entity when a person or entity is engaged in conducting a fantasy contest or engaged in conduct advertised as a fantasy contest that does meet the requirements of this chapter;
- (11) the requirements for monitoring patterns of participation to identify behaviors consistent with problem gambling and the appropriate actions to take when problem gambling is suspected, including pausing or suspending activities from an identified fantasy contest account; and
- (12) the appropriate limits, standards, and requirements necessary to prevent excessive wagering by an individual whose ability to control impulsive wagering is impaired in any way.
- (b) Rules for which notice is published in the State Register before January 1, 2025, may be adopted using the expedited rulemaking process in section 14.389.
- <u>Subd. 3.</u> <u>Licensing; fee collection.</u> (a) The commissioner shall issue all fantasy contest operator licenses. <u>Licenses issued under this chapter may not be transferred.</u>
- (b) The commissioner shall collect all license fees, including renewals, surcharges, and civil penalties imposed by this chapter.
- Subd. 4. **Delegation.** The commissioner may delegate any of its authority under this chapter to the director of alcohol and gambling enforcement if, in the judgment of the commissioner, doing so would promote the efficient administration of this chapter.
- <u>Subd. 5.</u> <u>Additional powers.</u> The commissioner may exercise any other powers necessary to enforce the provisions of this chapter.

## Sec. 3. [349C.03] LICENSING; APPLICATION REQUIREMENTS.

- <u>Subdivision 1.</u> <u>General requirements.</u> (a) A licensee or applicant must meet each of the following requirements, if applicable, to hold or receive a license issued under this chapter:
  - (1) complete an application for licensure or application for renewal;
  - (2) pay the applicable application and licensing fees;
- (3) not owe \$500 or more in delinquent taxes, penalties, or interest, with delinquent taxes subject to the limitations under section 270C.72, subdivision 2;
  - (4) not have, after demand, failed to file tax returns required by the commissioner of revenue; and
- (5) no officer, director, or other person with a present direct or indirect financial or management interest in the applicant:
  - (i) is in default in the payment of an obligation or debt to the state;

- (ii) has been convicted of a crime listed in section 299L.25, subdivision 2, paragraph (a), or has a state or federal charge for one of those crimes pending;
  - (iii) is or has been convicted of engaging in an illegal business;
  - (iv) has ever been found guilty of fraud or misrepresentation in connection with wagering;
  - (v) has ever knowingly violated a rule or order of the commissioner or a law of Minnesota relating to wagering; or
  - (vi) may be employed by any state agency with regulatory authority over fantasy contests.
- (b) Any fantasy contest operator applying for licensure or renewal of a license may operate during the application period unless the commissioner has reasonable cause to believe that such operator is or may be in violation of the provisions of this chapter.
  - (c) A fantasy contest operator applying for licensure or renewal of a license must pay an application fee of \$3,300.
- Subd. 2. Application; contents. (a) An application for a license under this chapter must be submitted on a form prescribed by the commissioner. At a minimum, the application must include:
  - (1) the business name, address, and contact information of the applicant;
  - (2) the applicant's website address;
  - (3) the applicant's tax identification number;
  - (4) proof of the applicant's financial security in an amount sufficient to comply with the provisions of section 349C.08;
- (5) the name and address of all officers, directors, and shareholders with more than ten percent interest in the corporation and any of its holding companies;
- (6) an affidavit executed by the applicant setting forth that, to the best of the applicant's knowledge, the applicant meets the requirements of subdivision 1, paragraph (a), clauses (3) to (5);
- (7) an irrevocable consent statement, signed by the applicant, which states that suits and actions limited to the enforcement of this chapter may be commenced against the applicant by the commissioner in any court of competent jurisdiction in this state by the service on the secretary of state of any summons, process, or pleadings authorized by the laws of this state. If any summons, process, or pleadings is served upon the secretary of state, it must be by duplicate copies. One copy must be retained in the Office of the Secretary of State and the other copy must be forwarded immediately by certified mail to the address of the applicant, as shown by the records of the commissioner;
- (8) a declaration that the laws of the state of Minnesota will be followed, including any applicable provisions of the Minnesota Human Rights Act, chapter 363A; and
  - (9) any additional information required by the commissioner.
- (b) If the commissioner receives an application that fails to provide the required information, the commissioner shall issue a deficiency notice to the applicant. The applicant shall have ten business days from the date of the deficiency notice to submit the required information.

- (c) Failure by an applicant to submit all required information will result in the application being rejected.
- (d) Within 90 days of receiving a completed application, the commissioner shall issue the appropriate license or send the applicant a notice of rejection setting forth specific reasons why the commissioner did not approve the application.
- (e) An applicant whose application is not approved may reapply at any time, but must submit a new application and pay an additional application fee.
- Subd. 3. <u>Duty to update.</u> (a) During the pendency of an application and at any time after a license has been issued, an applicant or licensee shall notify the commissioner of any changes to the information provided under this section.
- (b) If a change in the officers, directors, shareholders, or other persons with a present or future direct or indirect financial or management interest in a licensee, or a change of ownership of more than ten percent of the shares of the licensee is made after the application for a license is filed or a license is issued, the applicant or licensee must notify the commissioner of the changes within ten days of their occurrence and submit a new affidavit as required by this section.
  - Subd. 4. Deposit of fees. Application, registration, license, and renewal fees shall be deposited in the general fund.

## Sec. 4. [349C.04] FANTASY CONTEST OPERATOR LICENSE.

<u>Subdivision 1.</u> <u>Issuance; renewal.</u> <u>The commissioner may issue an unlimited number of licenses. Each license is valid for one year and may be renewed under conditions required by rule adopted pursuant to section 349C.02.</u>

- <u>Subd. 2.</u> <u>Licensing requirements.</u> <u>A fantasy contest operator must:</u>
- (1) submit a completed application and all required documents or other materials pursuant to this chapter and any relevant rules;
  - (2) submit a detailed plan and specifications for the implementation of fantasy contests;
- (3) include mechanisms on its platform that are designed to detect and prevent the unauthorized use of fantasy contest accounts and to detect and prevent fraud, money laundering, and collusion;
- (4) include identity and geolocation verification procedures, which may require the use of a reputable independent third party that is in the business of verifying an individual's personally identifiable information and can detect potential prohibited participants;
  - (5) submit a statement of the assets and liabilities of the license holder to the commissioner;
  - (6) pay a licensing fee pursuant to subdivision 3 upon initial application and at each subsequent license renewal; and
  - (7) meet any other conditions required by rule adopted pursuant to section 349C.02.
- Subd. 3. Fees. (a) The initial license fee for a fantasy contest operator that operated in Minnesota in the preceding 12 months shall be the greater of ten percent of its adjusted gross fantasy contest receipts from the preceding 12 months or \$5,000. The initial license fee for a fantasy contest operator that did not operate in the state for at least the preceding 12 months shall be \$5,000.
  - (b) The license renewal fee shall be one percent of adjusted gross fantasy contest receipts for the preceding year.

- Subd. 4. Continued operation; registration. (a) Any fantasy operator already offering fantasy contests to persons located in Minnesota before July 1, 2024, may continue to offer contests to persons located in Minnesota until the fantasy operator's application for licensure has been approved or denied so long as the fantasy operator files an application for licensure with the commissioner within 90 days of the commissioner making applications available for submission.
- (b) A fantasy contest operator must register with the commissioner in a form and manner prescribed by the commissioner to continue operations under paragraph (a). The fantasy contest operator must submit its registration with a \$10,000 registration fee.
- Subd. 5. Reporting. A fantasy contest operator must report to the commissioner monthly on wagers placed and redeemed during the reporting month and outstanding at the time of the report.

## Sec. 5. [349C.05] FANTASY CONTESTS AUTHORIZED.

- Subdivision 1. <u>Authorization.</u> A person 21 years of age or older may participate in a fantasy contest within the state provided the person places all wagers with an entity licensed under this chapter and is not disqualified, prohibited, or excluded from participation in a fantasy contest.
  - Subd. 2. Fantasy contest. (a) Entry into a fantasy contest by an authorized participant is lawful provided that:
- (1) winning outcomes are determined solely by clearly established scoring criteria based on one or more statistical results of the performance of individual athletes, including but not limited to a fantasy score or a statistical measure of performance; and
- (2) no winning outcome is entirely based on the score, point spread, or any performance of any single actual team or combination of teams or solely on any single performance of an individual athlete or player in any single actual event;
- (b) Fantasy contests may include both contests wherein authorized participants compete against each other and contests wherein only a single authorized participant competes against a target score set by the fantasy contest operator.
- (c) Any fantasy contest conducted under this chapter does not constitute sports betting for any purpose, as set forth in sections 299L.10 to 299L.80.
  - (d) A fantasy contest subject to the requirements of this chapter does not include:
- (1) any fantasy contest in which the authorized participant is not required to pay an entry fee to a fantasy contest operator; or
  - (2) contests:
  - (i) with rosters whose membership is limited to athletes of a single sport;
- (ii) that encompass at least one-half of a sport's regular season of the athletic activity in which the underlying competition is being conducted;
  - (iii) in which participants compete against each other; and
- (iv) in which the fantasy contest operator, if it so chooses, retains an administrative fee not to exceed 50 percent of all entry fees paid to enter the single season-long contest.

#### Subd. 3. Fantasy contest operator. A fantasy contest operator must:

- (1) make available on its website means to allow individuals to self-report to the exclusion list provided under section 349C.07;
- (2) provide authorized participants with access to their play history and account details, including all deposit amounts, withdrawal amounts, a summary of entry fees expended, and bonus or promotion information, including how much is left on any pending bonus or promotion and how much has been released to the authorized participant;
- (3) segregate authorized participant funds, including amounts in live fantasy contests that have not been paid out yet, from operational funds;
  - (4) prominently publish the rules governing each fantasy contest with an entry fee;
- (5) develop and prominently publish procedures by which any person may file a complaint with the operator and the commissioner; and
- (6) disclose the terms of all promotional offers at the time the offers are advertised, and provide full disclosures of limitations on the offer before an authorized participant provides financial consideration in exchange for the offer.

#### Sec. 6. [349C.06] WAGERING.

- Subdivision 1. Placing wagers; entry fees. An individual who is 21 years of age or older may place wagers pursuant to this chapter by submitting an entry fee to a fantasy contest operator to participate in a fantasy contest provided the individual is not otherwise disqualified, prohibited, or excluded from doing so. A fantasy contest operator may only accept wagers in a form and manner prescribed and approved by the commissioner.
- Subd. 2. Fantasy contest account. (a) An individual may establish a fantasy contest account by electronic means from any location, and may fund an account by any means approved by the commissioner.
- (b) A fantasy contest operator must not accept a wager unless the authorized participant provides consideration in the form of money or other thing of value such as use of promotional credits from the authorized participant's fantasy contest account at the time of making the wager.
- (c) Consideration must be in the form of withdrawal from a fantasy contest account maintained by the fantasy contest operator for the benefit of and in the name of the wagerer.
- (d) A fantasy contest operator shall verify an individual's age and identity before allowing that individual to place a wager and may utilize an approved identity verification service provider to confirm an individual's age and identity.
- (e) A fantasy contest operator must deposit any prize won by an authorized participant into the authorized participant's account within 72 hours of winning the prize.
- (f) An authorized participant shall have the right to withdraw the balance of funds in the fantasy contest account in the authorized participant's name at any time with proof of identity, as determined by rules adopted pursuant to section 349C.02, within ten business days of the request being made. This period shall be extended if the fantasy contest operator believes in good faith that the authorized participant engaged in either fraudulent conduct or other conduct that would put the operator in violation of this chapter, in which case the fantasy contest operator may decline to honor the request for withdrawal for a reasonable investigatory period until the investigation is resolved if the fantasy contest operator provides notice of the nature of the investigation to the authorized participant. If the

investigation exceeds 60 days, the fantasy contest operator shall notify the commissioner. For the purposes of this provision, a request for withdrawal will be considered honored if it is processed by the fantasy contest operator but delayed by a payment processor, credit card issuer, or by the custodian of a financial account.

- Subd. 3. Wager location. Fantasy contest wagers may only be accepted from an authorized participant placing a wager online, through a website or mobile application, while the authorized participant is physically within the state. The incidental routing of a fantasy contest wager shall not determine the location or locations in which the wager is initiated, received, or otherwise made.
- Subd. 4. Wagers prohibited. A fantasy contest operator must not accept a wager on the outcome of an event or proposition that has already been determined.
- <u>Subd. 5.</u> <u>Receipt.</u> A fantasy contest operator must provide a person who places a wager with an electronic receipt at the time of sale that contains the following information:
  - (1) the proposition that is the subject of the wager;
  - (2) the outcome that will constitute a win on the wager;
  - (3) the amount wagered; and
  - (4) the payout in the event of a winning wager.
- Subd. 6. Wager data; safeguards necessary. (a) Information regarding wagers made by an authorized participant who engages in fantasy contests, including but not limited to wager type and consideration paid, may be accessed, stored, or used for ordinary business purposes by the fantasy contest operator.
- (b) Fantasy contest operators must use commercially reasonable methods to maintain the security of wager data, authorized participant data, and other confidential information from unauthorized access and dissemination, however, that nothing in this chapter shall preclude the use of Internet or cloud-based hosting of such data and information or disclosure as required by court order, other law, or this chapter.

## Sec. 7. [349C,07] EXCLUSION LIST AND PROHIBITION ON PARTICIPATION.

- Subdivision 1. Exclusion list. (a) The commissioner shall maintain a list of persons who are not eligible to wager on fantasy contests through a fantasy contest operator. The list shall include the names of:
  - (1) persons who have themselves requested to be on the exclusion list;
  - (2) persons whose names have been submitted, for their protection, by their legal guardians;
  - (3) persons whose names have been submitted by fantasy contest operators for good cause; and
  - (4) persons whose names have been submitted by sports governing bodies.
- (b) A person who has requested to be on the exclusion list may specify a time limit of one, three, or five years for the person's name to be on the list. The commissioner will remove the person's name from the list at the conclusion of the specified time. A person may be removed from the list before the specified time by providing proof of completion of a class approved by the commissioner to address compulsive gambling.

- (c) The information contained on the list is private data on individuals, as defined in section 13.02, subdivision 12, except the commissioner is permitted to share the list with fantasy contest operators as needed to prevent persons on the exclusion list from participating in fantasy contests.
- <u>Subd. 2.</u> **Prohibited wagers by certain persons.** The following persons who are otherwise authorized to participate in fantasy contests are prohibited from placing the wagers described:
- (1) a person who is prohibited from placing wagers by a fantasy contest operator for good cause, including but not limited to any person placing a wager as an agent or proxy on behalf of another, may not place a wager of any kind;
- (2) a person who is an athlete, coach, referee, player, health care provider, or team employee is prohibited from wagering in a fantasy contest overseen by that person's sports governing body;
- (3) a person who holds a position of authority sufficient to exert influence over the participants in a sporting event, including but not limited to a coach, manager, or owner is prohibited from wagering in a fantasy contest overseen by that person's sports governing body; and
- (4) a person who has access to certain types of exclusive or nonpublic information regarding a sporting event is prohibited from wagering in a fantasy contest overseen by the sports governing body of that sporting event.
- <u>Subd. 3.</u> <u>Prohibition on accepting wagers.</u> (a) A fantasy contest operator shall not knowingly accept a wager from a person on the exclusion list or allow a person on the exclusion list to establish a fantasy contest account.
- (b) A fantasy contest operator shall not knowingly accept a wager prohibited under subdivision 2 from any person who can reasonably be identified by publicly available information or by any lists provided to the commissioner.
- (c) Knowingly accepting a wager from a person on the exclusion list is a license violation, subject to a penalty established by the commissioner.

#### Sec. 8. [349C.08] FINANCIAL RESPONSIBILITY.

- Subdivision 1. Responsibility for satisfying winning wagers. A wager in a fantasy contest placed with a fantasy contest operator is an enforceable contract. A fantasy contest operator who accepts a wager bears all risk of loss to satisfy winnings on the wager. A wager that is not redeemed within one year of the outcome that is the subject of the wager may be canceled by the fantasy contest operator.
- Subd. 2. Cash reserves. (a) A fantasy contest operator shall maintain cash reserves in an amount that is not less than the greater of \$25,000 or the sum of the:
  - (1) amounts held by the fantasy contest operator for the fantasy contest accounts of authorized participants;
- (2) amounts accepted by the fantasy contest operator as wagers on contingencies whose outcome have not been determined; and
- (3) amounts owed but unpaid by the fantasy contest operator on winning wagers through the period established by the operator, subject to time limits set by the commissioner, for honoring winning wagers.
- (b) Such reserves shall be held in the form of cash or cash equivalents segregated from operational funds, payment processor reserves and receivables, any bond, an irrevocable letter of credit, or any combination thereof.

Subd. 3. **Bond.** A fantasy contest operator shall be required to post a bond, securities, or an irrevocable letter of credit in an amount the commissioner deems necessary after taking into consideration the amount of the fantasy contest operator's cash reserves, to protect the financial interests of authorized participants participating in fantasy contests. If securities are deposited or an irrevocable letter of credit filed, the securities or letter of credit must be of a type or in the form provided under section 349A.07, subdivision 5, paragraphs (b) and (c).

## Sec. 9. [349C.09] RECORD RETENTION; INFORMATION SHARING.

- Subdivision 1. **Record retention.** Fantasy contest operators shall maintain records of all wagers placed, including personally identifiable information of an authorized participant, amount and type of wager, time the wager was placed, location of the wager, including IP address if applicable, the outcome of the wager, and records of abnormal betting activity for 3-1/2 years after the fantasy contest occurs. Fantasy contest operators shall make the data described in this subdivision available for inspection upon request of the commissioner or as required by court order.
- Subd. 2. Anonymization required. Fantasy contest operators shall use commercially reasonable efforts to maintain in real time and at the account level anonymized information regarding an authorized participant, amount and type of wager, the time the wager was placed, the location of the wager, including the IP address if applicable, the outcome of the wager, and records of abnormal betting activity. Nothing in this section shall require a fantasy contest operator to provide any information that is prohibited by federal, state, or local laws or regulations, including laws and regulations relating to privacy and personally identifiable information.
- Subd. 3. **Information sharing.** (a) If a sports governing body has notified the commissioner that access to the information described in subdivision 2 for wagers placed on fantasy contests of the sports governing body is necessary to monitor the integrity of such body's sporting events, then fantasy contest operators shall share, in a commercially reasonable frequency, form, and manner, with the sports governing body or its designees the information under subdivision 2 with respect to wagers on fantasy contests of the sports governing body.
- (b) Sports governing bodies and their designees may only use information received under this subdivision for integrity-monitoring purposes and may not use information received under this subdivision for any commercial or other purpose.

#### Sec. 10. [349C.10] LICENSE VIOLATIONS; ENFORCEMENT.

- <u>Subdivision 1.</u> <u>Schedule of penalties.</u> <u>The commissioner must adopt rules that provide a graduated schedule of penalties for violations of license requirements under statute or rule. The schedule must specify penalties that may range from warnings and probation periods to civil fines, temporary suspension of licenses, or revocation of licenses.</u>
- Subd. 2. Authority to act. The commissioner may issue administrative orders, impose civil penalties, and suspend, revoke, or not renew a license issued pursuant to this chapter if the commissioner determines that a licensee has committed or is about to commit a violation of this chapter or rules adopted pursuant to this chapter, or if the commissioner determines that the licensee is disqualified or ineligible to hold a license pursuant to sections 349C.04 and 349C.05.
- <u>Subd. 3.</u> <u>Temporary suspension.</u> (a) The commissioner may temporarily, without a hearing, suspend the license and operating privilege of any licensee for a period of up to 90 days if there is clear and convincing evidence that:
- (1) conduct of a licensee, or anticipated failure of a licensee to fulfill an obligation, requires immediate action to protect the public from harm;
  - (2) the licensee has not timely filed a tax return or paid the tax required under chapter 297K; or

- (3) the licensee has not timely paid all license fees or penalties due under this chapter.
- (b) The commissioner shall notify the licensee of the violation that caused the temporary suspension and may lift the temporary suspension if the licensee corrects the violation.
- (c) The commissioner may extend the period of suspension if the violation is not corrected, the commissioner notifies the licensee that the commissioner intends to revoke or not renew a license, and a contested case hearing has not taken place.
- Subd. 4. Notice of violation; administrative orders; request for reconsideration; demand for hearing. (a) The commissioner may issue an administrative order to any licensee who has committed a violation. The order may require the licensee to correct the violation or to cease and desist from committing the violation and may impose civil penalties. The order must state the deficiencies that constitute a violation, the time by which the violation must be corrected, and the amount of any civil penalty.
- (b) If the licensee believes the information in the administrative order is in error, the licensee may ask the commissioner to reconsider any parts of the order that are alleged to be in error. The request must be in writing, be delivered to the commissioner by certified mail within seven days after receipt of the order, and provide documentation to support the allegation of error. The commissioner must respond to a request for reconsideration within 15 days after receiving the request. A request for reconsideration does not stay the order unless the commissioner issues a supplemental order granting additional time. The commissioner's disposition of a request for reconsideration is final.
- (c) An administrative order that imposes a civil penalty of more than \$2,000 shall be treated as a contested case under chapter 14.
- (d) A licensee may request a hearing on the administrative order within 30 days of service of the order. The request must be in writing and delivered to the commissioner by certified mail. If the licensee does not request a hearing within 30 days, the order becomes final.
- (e) If a licensee requests a hearing, the hearing must be held not later than 30 days after the commissioner receives the request unless the licensee and the commissioner agree on a later date. After the hearing, the commissioner may enter an order making such disposition as the facts require. If the licensee fails to appear at the hearing after having been notified of it, the licensee is considered in default and the proceeding may be determined against the licensee on consideration of the administrative order, the allegations of which may be considered to be true. An action of the commissioner under this paragraph is subject to judicial review pursuant to chapter 14.
- (f) Civil penalties collected by the commissioner shall be deposited in the general fund. Civil penalties may be recovered in a civil action in the name of the state brought in the district court.
- Subd. 5. Revocation, nonrenewal, civil penalties; contested case. If the commissioner intends to revoke or not renew a license, or impose a civil penalty in excess of \$2,000, the commissioner shall provide the licensee with a statement of the complaints made against the licensee and shall initiate a contested case proceeding. The contested case shall be held pursuant to chapter 14.

## Sec. 11. [349C.11] DATA PROTECTIONS.

Data in which an individual who has wagered on a fantasy contest is identified by name, account number, Social Security number, or any other uniquely identifying indicia, are private data on individuals, as defined in section 13.02, subdivision 12. Data on individual earnings of fantasy contest operator application and licensing information are nonpublic data, as defined in section 13.02, subdivision 9.

#### Sec. 12. EFFECTIVE DATE.

Except as otherwise provided, this article is effective July 1, 2024.

# ARTICLE 4 TAXATION OF FANTASY CONTESTS

## Section 1. [297K.01] DEFINITIONS.

- Subdivision 1. Terms. For the purposes of this chapter, the following terms have the meanings given.
- Subd. 2. Adjusted gross fantasy contest receipts. "Adjusted gross fantasy contest receipts" means the amount equal to the total of all entry fees that a fantasy contest operator receives from all participants minus the total of cash prizes and the fair market value of noncash prizes paid as winnings to all participants multiplied by the location percentage for this state.
- <u>Subd. 3.</u> <u>Cash equivalent.</u> "Cash equivalent" means the cash value of any free bets, promotional credits, and any other noncash form of consideration, payment, or compensation.
  - <u>Subd. 4.</u> <u>Commissioner.</u> "Commissioner" means the commissioner of revenue.
- Subd. 5. Entry fee. "Entry fee" means cash or cash equivalent that is required to be paid by an authorized participant and set in advance by a fantasy contest operator to participate in a fantasy contest.
  - Subd. 6. Fantasy contest. "Fantasy contest" has the meaning given in section 349C.01, subdivision 9.
- Subd. 7. Fantasy contest operator. "Fantasy contest operator" has the meaning given in section 349C.01, subdivision 11.
- Subd. 8. Location percentage. "Location percentage" means the percentage rounded to the nearest tenth of one percent of the total entry fees received from authorized participants located in this state divided by the total entry fees received from all players in the fantasy contest activity.
- Subd. 9. Wager. "Wager" means a transaction between an authorized participant and a licensed fantasy contest operator in which an authorized participant pays, deposits, or risks cash or a cash equivalent as an entry fee into a fantasy contest.

**EFFECTIVE DATE.** This section is effective for adjusted gross fantasy receipts received after June 30, 2024.

## Sec. 2. [297K.02] TAX ON FANTASY CONTEST NET REVENUE.

- <u>Subdivision 1.</u> <u>Tax imposed.</u> A tax is imposed on fantasy contest operators equal to ten percent of adjusted gross fantasy receipts.
- Subd. 2. Fantasy contest net revenue tax in lieu of other taxes. Income derived by a fantasy contest operator from the conduct of wagering on a fantasy contest is not subject to the tax imposed under chapter 290. Wagers accepted by a fantasy contest operator are not subject to the tax imposed in section 297A.62 or 297E.03.
- Subd. 3. Returns; due dates. A fantasy contest operator must file a return by the 20th day of each month reporting the tax due under this section for the preceding month. The return must include the amount of all wagers received, payouts made, all fantasy contest taxes owed, and other information required by the commissioner. The tax under this chapter is due to be paid to the commissioner on the day the return is due.
- <u>Subd. 4.</u> <u>Deposit of revenue.</u> <u>The commissioner must deposit the revenues, including penalties and interest, derived from the tax imposed by this section into the general fund.</u>
  - **EFFECTIVE DATE.** This section is effective for adjusted gross fantasy receipts received after June 30, 2024.

### Sec. 3. [297K.03] FANTASY CONTEST OPERATOR REPORTS AND RECORDS.

Subdivision 1. Business records. A fantasy contest operator must maintain records supporting the fantasy contest activity and taxes owed. Records required to be kept in this section must be preserved by the fantasy contest operator for at least 3-1/2 years after the return is due or filed, whichever is later, and may be inspected by the commissioner at any reasonable time without notice or a search warrant.

Subd. 2. Audits. The commissioner may require a financial audit of a fantasy contest operator's fantasy contest activities if the operator has failed to comply with this chapter, including failure to timely file returns or pay tax, or take corrective actions required by the commissioner. Audits must be performed by an independent accountant licensed according to chapter 326A. The commissioner must prescribe standards for an audit required under this subdivision. A complete, true, and correct copy of an audit must be filed as prescribed by the commissioner. Nothing in this subdivision limits the commissioner's ability to conduct its own audit pursuant to its authority under chapter 270C.

**EFFECTIVE DATE.** This section is effective for adjusted gross fantasy receipts received after June 30, 2024.

#### Sec. 4. [297K.04] OTHER PROVISIONS APPLY.

Except for those provisions specific to distributors, gambling products, or gambling equipment, sections 297E.02, subdivisions 9 and 10, and 297E.10 to 297E.14 apply to this chapter.

**EFFECTIVE DATE.** This section is effective for adjusted gross fantasy receipts received after June 30, 2024.

# ARTICLE 5 CRIMES RELATED TO SPORTS BETTING

- Section 1. Minnesota Statutes 2022, section 260B.007, subdivision 16, is amended to read:
- Subd. 16. **Juvenile petty offender; juvenile petty offense.** (a) "Juvenile petty offense" includes a juvenile alcohol offense, a juvenile controlled substance offense, a juvenile violation of section 299L.80, subdivision 3, paragraph (a), a violation of section 609.685, or a violation of a local ordinance, which by its terms prohibits conduct by a child under the age of 18 years which would be lawful conduct if committed by an adult.
- (b) Except as otherwise provided in paragraph (c), "juvenile petty offense" also includes an offense that would be a misdemeanor if committed by an adult.
  - (c) "Juvenile petty offense" does not include any of the following:
- (1) a misdemeanor-level violation of section 518B.01, 588.20, 609.224, 609.2242, 609.324, subdivision 2 or 3, 609.5632, 609.576, 609.66, 609.746, 609.748, 609.79, or 617.23;
  - (2) a major traffic offense or an adult court traffic offense, as described in section 260B.225;
- (3) a misdemeanor-level offense committed by a child whom the juvenile court previously has found to have committed a misdemeanor, gross misdemeanor, or felony offense; or
- (4) a misdemeanor-level offense committed by a child whom the juvenile court has found to have committed a misdemeanor-level juvenile petty offense on two or more prior occasions, unless the county attorney designates the child on the petition as a juvenile petty offender notwithstanding this prior record. As used in this clause, "misdemeanor-level juvenile petty offense" includes a misdemeanor-level offense that would have been a juvenile petty offense if it had been committed on or after July 1, 1995.

(d) A child who commits a juvenile petty offense is a "juvenile petty offender." The term juvenile petty offender does not include a child alleged to have violated any law relating to being hired, offering to be hired, or agreeing to be hired by another individual to engage in sexual penetration or sexual conduct which, if committed by an adult, would be a misdemeanor.

### Sec. 2. [299L.80] CRIMES RELATING TO WAGERING ON SPORTING EVENTS.

<u>Subdivision 1.</u> **Definitions.** As used in this section:

- (1) "accepts a wager" includes receiving, recording, or forwarding a wager or an offer to wager on a sporting event, and attempts to do so;
- (2) "nonpublic information" means information regarding a participant's ability or likelihood to perform in a sporting event that:
  - (i) is not available to the general public;
  - (ii) is derived from a personal or professional relationship with the participant; and
- (iii) if the information was disseminated, would likely affect the odds of the participant or the participant's team in achieving a particular outcome in the event; and
  - (3) "places a wager" includes an offer or attempt to place a wager on a sporting event.
- Subd. 2. Sale or transfer of private data. (a) Whoever sells or transfers private data on individuals collected through the practice of wagering on sporting events is guilty of a misdemeanor.
- (b) Paragraph (a) does not apply to transfers of data between a person licensed under sections 299L.10 to 299L.80 or an employee of a licensee and the following entities when that transfer is necessary to perform duties prescribed by law relating to wagering on sporting events:
  - (1) the transfer of data to the commissioner, the director, or the commissioner of revenue;
  - (2) the transfer of data to a sports governing body pursuant to section 299L.53, subdivision 3, paragraph (a); and
  - (3) the transfer of data to the University of Minnesota pursuant to section 299L.53, subdivision 3, paragraph (c).
- Subd. 3. Wagering by a person under age 21. (a) A person who is under 21 years of age and does either of the following is guilty of a misdemeanor:
  - (1) places a wager on a sporting event; or
  - (2) misrepresents the person's age as being 21 or older for the purposes of placing a wager on a sporting event.
- (b) A person licensed under sections 299L.10 to 299L.80 or an employee of a licensee who accepts a wager on a sporting event placed by someone under the age of 21 years is guilty of a gross misdemeanor.
- (c) Paragraph (a), clause (1) does not prohibit private social bets on sporting events that are not part of or incidental to organized, commercialized, or systematic gambling.

- Subd. 4. <u>Unauthorized wagers.</u> (a) The following persons who place a wager with an entity licensed under sections 299L.10 to 299L.80 are guilty of a crime and may be sentenced as provided in paragraphs (b) to (e):
- (1) a person who is a participant in a sporting event and who places a wager on that event or who induces another to place a wager on the event on behalf of the person;
- (2) a person licensed under sections 299L.10 to 299L.80, or an employee of a licensee whose exclusive or primary responsibilities involve mobile sports betting, who places a wager on a sporting event on an online website or mobile application with which the person is affiliated;
- (3) an officer, director, member, or employee of the Department of Public Safety or the division who places a wager on a sporting event; or
  - (4) a person who possesses nonpublic information on a sporting event and who places a wager on that event.
  - (b) A person who violates paragraph (a) is guilty of a misdemeanor if the amount of the wager is no more than \$500.
  - (c) A person who violates paragraph (a) is guilty of a gross misdemeanor if:
  - (1) the person has previously been convicted of a violation of this section or section 609.76; or
  - (2) the amount of the wager is more than \$500 but not more than \$1,000.
- (d) A person who violates paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than two years or to payment of a fine of not more than \$4,000, or both, if the amount of the wager is more than \$1,000 but not more than \$5,000.
- (e) A person who violates paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if:
  - (1) the amount of the wager is more than \$5,000; or
- (2) the person places more than five wagers on any one or more sporting events within any 30-day period and the total amount wagered is more than \$2,500.
- Subd. 5. Unauthorized acceptance of wagers. (a) A person licensed under sections 299L.10 to 299L.80, or an employee of a licensee whose exclusive or primary responsibilities involve mobile sports betting, who accepts a wager on a sporting event knowing that the wager was made in violation of subdivision 4, paragraph (a) is guilty of a crime and may be sentenced as provided in paragraphs (b) to (e).
  - (b) A person who violates paragraph (a) is guilty of a misdemeanor if the amount of the wager is no more than \$500.
  - (c) A person who violates paragraph (a) is guilty of a gross misdemeanor if:
  - (1) the person has previously been convicted of a violation of this section or section 609.76; or
  - (2) the amount of the wager is more than \$500 but not more than \$1,000.
- (d) A person who violates paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than two years or to payment of a fine of not more than \$4,000, or both, if the amount of the wager is more than \$1,000 but not more than \$5,000.

- (e) A person who violates paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if:
  - (1) the amount of the wager is more than \$5,000; or
  - (2) the person accepts one or more wagers knowing that:
  - (i) the wager is prohibited under subdivision 4, paragraph (a);
- (ii) acceptance of the wager will result in the person making a wager having placed more than five wagers on any one or more sporting events within any 30-day period; and
  - (iii) the total amount wagered is more than \$2,500.
- Subd. 6. **Aggregation; venue.** In any prosecution under subdivision 4 or 5, the amount of money wagered within any six-month period may be aggregated and the accused charged accordingly in applying the provisions of those subdivisions. In addition, when two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this subdivision.
- Subd. 7. **Proof of age; defense; seizure of false identification.** (a) Proof of age for placing a wager under sections 299L.10 to 299L.80 on a sporting event may be established only by one of the following:
- (1) a valid driver's license or identification card issued by Minnesota, another state, a Tribal government, or a province of Canada, that includes the photograph and date of birth of the person;
  - (2) a valid military identification card issued by the United States Department of Defense;
  - (3) a valid United States passport;
- (4) a valid instructional permit issued under section 171.05 that includes a photograph and the date of birth of the person;
  - (5) a Tribal identification;
  - (6) in the case of a foreign national, a valid passport; or
- (7) use of an identity verification process approved by the commissioner and implemented by the mobile sports betting operator or mobile sports betting platform provider.
- (b) In a prosecution for accepting a wager on a sporting event from a person under the age of 21, it is an affirmative defense for the defendant to prove by a preponderance of the evidence that the defendant reasonably and in good faith relied upon representations of proof of age authorized in paragraph (a).
- (c) A mobile sports betting operator or employee of a mobile sports betting operator, or an official or employee authorized to accept wagers on sporting events under a Tribal-state compact regulating the conduct of class III sports betting on the Indian lands of an Indian Tribe, may seize a form of identification listed under paragraph (a) if the person has reasonable grounds to believe that the form of identification has been altered or falsified or is being used to violate any law. A person who seizes a form of identification under this paragraph must deliver it to a law enforcement agency, as defined in section 626.84, subdivision 1, paragraph (f), within 24 hours of seizure.

- Sec. 3. Minnesota Statutes 2022, section 609.75, subdivision 3, is amended to read:
- Subd. 3. What are not bets. The following are not bets:
- (1) a contract to insure, indemnify, guarantee or otherwise compensate another for a harm or loss sustained, even though the loss depends upon chance;
  - (2) a contract for the purchase or sale at a future date of securities or other commodities;
- (3) offers of purses, prizes or premiums to the actual contestants in any bona fide contest for the determination of skill, speed, strength, endurance, or quality or to the bona fide owners of animals or other property entered in such a contest;
  - (4) the game of bingo when conducted in compliance with sections 349.11 to 349.23;
  - (5) a private social bet not part of or incidental to organized, commercialized, or systematic gambling;
- (6) the operation of equipment or the conduct of a raffle under sections 349.11 to 349.22, by an organization licensed by the Gambling Control Board or an organization exempt from licensing under section 349.166;
  - (7) pari-mutuel betting on horse racing when the betting is conducted under chapter 240; and
  - (8) the purchase and sale of State Lottery tickets under chapter 349A;
  - (9) fantasy contests when the betting is conducted pursuant to chapter 349C; and
  - (10) sports betting when the betting is conducted pursuant to sections 299L.10 to 299L.80.
  - Sec. 4. Minnesota Statutes 2022, section 609.75, subdivision 4, is amended to read:
- Subd. 4. **Gambling device.** A gambling device is a contrivance the purpose of which is that for a consideration a player is afforded an opportunity to obtain something of value, other than free plays, automatically from the machine or otherwise, the award of which is determined principally by chance, whether or not the contrivance is actually played. "Gambling device" also includes a video game of chance, as defined in subdivision 8. <u>Gambling device does not include a website or mobile application, or device used for accessing the website or mobile application, authorized to be used in conducting mobile sports betting pursuant to sections 299L.10 to 299L.80 or fantasy contests pursuant to chapter 349C.</u>
  - Sec. 5. Minnesota Statutes 2022, section 609.75, subdivision 7, is amended to read:
- Subd. 7. **Sports bookmaking.** Sports bookmaking is the activity of intentionally receiving, recording or forwarding within any 30-day period more than five bets, or offers to bet, that total more than \$2,500 on any one or more sporting events. Sports bookmaking does not include sports betting when the betting is conducted pursuant to sections 299L.10 to 299L.80 or fantasy contests when betting is conducted pursuant to chapter 349C.
  - Sec. 6. Minnesota Statutes 2022, section 609.75, is amended by adding a subdivision to read:
- Subd. 7a. Sporting event. "Sporting event" has the meaning given in section 299L.10, subdivision 18, and includes any event, such as a game, match, contest, or activity, or series of games, matches, contests, activities, or tournaments, involving the athletic skill or performance in a video game of one or more players or participants, regardless of whether the event is approved by the commissioner to be an event eligible for wagering under sections 299L.10 to 299L.80.

- Sec. 7. Minnesota Statutes 2022, section 609.75, is amended by adding a subdivision to read:
- Subd. 7b. Fantasy contest. "Fantasy contest" has the meaning given in section 349C.01, subdivision 9.
- Sec. 8. Minnesota Statutes 2022, section 609.755, is amended to read:

### 609.755 GAMBLING; MISDEMEANOR.

Whoever does any of the following is guilty of a misdemeanor:

- (1) makes a bet, other than a bet on a sporting event;
- (2) sells or transfers a chance to participate in a lottery;
- (3) disseminates information about a lottery, except a lottery conducted by an adjoining state, with intent to encourage participation therein;
- (4) permits a structure or location owned or occupied by the actor or under the actor's control to be used as a gambling place; or
  - (5) except where authorized by statute, possesses a gambling device.
- Clause (5) does not prohibit possession of a gambling device in a person's dwelling for amusement purposes in a manner that does not afford players an opportunity to obtain anything of value.
  - Sec. 9. Minnesota Statutes 2022, section 609.76, subdivision 2, is amended to read:
- Subd. 2. **Sports bookmaking.** (a) Whoever makes a bet on a sporting event with a person who is not licensed to engage in sports betting under sections 299L.10 to 299L.80 is guilty of a misdemeanor if the amount of the wager is no more than \$500.
- (b) Whoever makes a bet on a sporting event with a person who is not licensed to engage in sports betting under sections 299L.10 to 299L.80 is guilty of a gross misdemeanor if:
  - (1) the person has previously been convicted of a violation of this section or section 299L.80; or
  - (2) the amount of the wager is more than \$500 but not more than \$1,000.
- (c) Whoever makes a bet on a sporting event with a person who is not licensed to engage in sports betting under sections 299L.10 to 299L.80 is guilty of a felony if the amount of the wager is more than \$1,000.
  - (d) Whoever engages in sports bookmaking is guilty of a felony.
- (e) In any prosecution under paragraph (b) or (c), the amount of money wagered within any six-month period may be aggregated and the accused charged accordingly in applying the provisions of those paragraphs. In addition, when two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this subdivision.

### Sec. 10. [609.764] SPORTING EVENTS; FRAUD; BRIBERY.

- (a) As used in this section:
- (1) "participant in a sporting event" has the meaning given in section 299L.10, subdivision 17; and
- (2) "sporting event" has the meaning given in section 299L.10, subdivision 18.
- (b) A person is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if the person:
- (1) offers, gives, or promises to give, directly or indirectly, to a participant in a sporting event any benefit, reward, or consideration to which the participant is not legally entitled as compensation or a prize, with intent to influence the performance of the participant, or the outcome of the event or a component of the event; or
- (2) as a participant in a sporting event, requests, receives, or agrees to receive, directly or indirectly, a benefit, reward, or consideration to which the participant is not legally entitled to intentionally lose, cause to lose, or attempt to lose or cause to lose the event, or to intentionally perform below abilities to adversely affect the outcome of the event or a component of the event.

### Sec. 11. **EFFECTIVE DATE.**

Sections 1 to 10 are effective the day that sports betting and fantasy contests become lawful under articles 1 and 3 and apply to crimes committed on or after that date.

# ARTICLE 6 AMATEUR SPORTS AND ACTIVITIES GRANTS

### Section 1. [240A.15] GRANTS FOR PROMOTING INTEGRITY AND PARTICIPATION.

Subdivision 1. Account established; appropriation. (a) The amateur sports integrity and participation account is established in the special revenue fund. The account shall consist of the amount deposited pursuant to section 297J.02, subdivision 8, paragraph (d).

- (b) The amount necessary to make grants under subdivisions 2 and 3 is appropriated to the Minnesota Amateur Sports Commission. The Minnesota Amateur Sports Commission may retain four percent of the total appropriation to administer the grants.
- (c) The amount necessary to make grants under subdivision 4 is appropriated to the Minnesota State High School League. The Minnesota State High School League may retain four percent of the total appropriation to administer the grants.
- Subd. 2. Grants to promote the integrity of amateur sports. (a) The Minnesota Amateur Sports Commission shall use 20 percent of the amount deposited in the amateur sports integrity and participation account in the previous fiscal year to award grants to collegiate and amateur sports associations to promote the integrity of amateur sports. Of this amount, 80 percent of money must be distributed to grant recipients at institutions whose undergraduate enrollment total is fewer than 25,000 students.

- (b) Grant recipients may use money to:
- (1) provide comprehensive gambling and athlete protection education and programming related to disordered gambling to athletes and others directly involved with amateur athletic organizations;
  - (2) promote the independence, safety, and training of amateur sports leagues and officials;
- (3) provide educational substance abuse prevention and intervention programs related to the use of performance-enhancing drugs;
  - (4) provide problem gambling prevention education;
- (5) provide training to coaches and athletes on safe relationships and how to establish and maintain an environment free from bullying, harassment, and discrimination based on race or sex; or
- (6) provide training or resources to address the mental health needs of amateur athletes, including programs to address depression, anxiety, and disordered eating.
- (c) By September 1 of each year, individuals or organizations that received a grant in the previous fiscal year shall provide a report in a form and manner established by the Minnesota Amateur Sports Commission describing how grant money was used and providing any additional information required by the Minnesota Amateur Sports Commission.
- Subd. 3. Grants to promote and facilitate participation in youth sports. (a) The Minnesota Amateur Sports Commission shall use 40 percent of the amount deposited in the amateur sports integrity and participation account in the previous fiscal year to award grants to organizations to promote and facilitate participation in youth sports in areas that have experienced a disproportionately high rate of juvenile crime.
- (b) Applicants may demonstrate that an area has experienced a disproportionately high rate of juvenile crime through the use of public data or reports, a submission from the local law enforcement agency, or any other reliable information showing that the area to be served by the applicant has experienced more incidents of juvenile crime than the state average or than surrounding communities.
  - (c) Grant recipients may use money to:
  - (1) establish, maintain, or expand youth sports;
  - (2) improve facilities for youth sports;
- (3) reduce or eliminate participation costs for youth through the use of scholarships, assistance with the purchase of equipment, reductions or elimination of program fees, and accounting for other reasonable costs that serve as a barrier to participation;
  - (4) recruit and train adults to serve as coaches, officials, or in other supportive roles; or
- (5) coordinate additional services for youth, including tutoring, mental health services, substance abuse treatment, and family counseling.
- (d) By September 1 of each year, individuals or organizations that received a grant in the previous fiscal year shall provide a report in a form and manner established by the Minnesota Amateur Sports Commission describing how grant money was used and providing any additional information required by the Minnesota Amateur Sports Commission.

- Subd. 4. Grants to promote and facilitate participation in youth activities. (a) The Minnesota State High School League shall use 40 percent of the amount deposited in the amateur sports integrity and participation account in the previous fiscal year to award grants to schools or organizations to promote and facilitate participation in competitive, nonathletic youth activities in areas that have experienced a disproportionately high rate of juvenile crime.
- (b) Applicants may demonstrate that an area has experienced a disproportionately high rate of juvenile crime through the use of public data or reports, a submission from the local law enforcement agency, or any other reliable information showing that the area to be served by the applicant has experienced more incidents of juvenile crime than the state average or than surrounding communities.
  - (c) Grant recipients may use money to:
  - (1) establish, maintain, or expand competitive, nonathletic youth activities;
- (2) reduce or eliminate participation costs for youth through the use of scholarships, assistance with the purchase of equipment, reductions or elimination of program fees, and accounting for other reasonable costs that serve as a barrier to participation;
  - (3) recruit and train adults to serve as coaches, officials, or in other supportive roles; or
- (4) coordinate additional services for youth, including tutoring, mental health services, substance abuse treatment, and family counseling.
- (d) By September 1 of each year, schools or organizations that received a grant in the previous fiscal year shall provide a report in a form and manner established by the Minnesota State High School League describing how grant money was used and providing any additional information required by the Minnesota State High School League.
- Subd. 5. Annual report. By January 15 of each year, the Minnesota Amateur Sports Commission and Minnesota State High School League must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety, the legislative committees with jurisdiction over taxes, the committee in the house of representatives with jurisdiction over commerce, the committee in the senate with jurisdiction over ways and means, and the committee in the senate with jurisdiction over finance. The report must identify the grants issued under this section since the previous report, including the individual or organization that received the grant, the amount awarded, and the purpose of the grant. The report must also compile and provide the annual reports received from grantees.
  - Sec. 2. Minnesota Statutes 2022, section 245.98, subdivision 2, is amended to read:
- Subd. 2. **Program.** The commissioner of human services shall establish a program for the treatment of compulsive gamblers <u>and their families</u>. The commissioner may contract with an entity with expertise regarding the treatment of compulsive gambling to operate the program. The program may include the establishment of a statewide toll-free number, resource library, public education programs; regional in-service training programs and conferences for health care professionals, educators, treatment providers, employee assistance programs, and criminal justice representatives; and the establishment of certification standards for programs and service providers. The commissioner may enter into agreements with other entities and may employ or contract with consultants to facilitate the provision of these services or the training of individuals to qualify them to provide these services. The program must include up to 60 hours of intervention services for a family member or concerned significant other who is a Minnesota resident and is negatively impacted by problem or compulsive gambling. The program may also

include inpatient and outpatient treatment and rehabilitation services for residents in different settings, including a temporary or permanent residential setting for mental health or substance use disorder, and individuals in jails or correctional facilities. The program may also include research studies. The research studies must include baseline and prevalence studies for adolescents and adults to identify those at the highest risk. The program must be approved by the commissioner before it is established.

## Sec. 3. **EFFECTIVE DATE.**

This article is effective the day following final enactment.

## ARTICLE 7 CHARITABLE GAMBLING

Section 1. Minnesota Statutes 2023 Supplement, section 297E.02, subdivision 6, is amended to read:

Subd. 6. Combined net receipts tax. (a) In addition to the taxes imposed under subdivision 1, a tax is imposed on the combined net receipts of the organization. As used in this section, "combined net receipts" is the sum of the organization's gross receipts from lawful gambling less gross receipts directly derived from the conduct of paper bingo, raffles, and paddlewheels, as defined in section 297E.01, subdivision 8, and less the net prizes actually paid, other than prizes actually paid for paper bingo, raffles, and paddlewheels, for the fiscal year. The combined net receipts of an organization are subject to a tax computed according to the following schedule:

If the combined net receipts for the

fiscal year are: The tax is:

Not over \$87,500 eight percent

Over \$87,500, but not over \$122,500 \$7,000 plus 17 percent of the amount over \$87,500,

but not over \$122,500

Over \$122,500, but not over \$157,500 \$12,950 plus 25 percent of the amount over \$122,500,

but not over \$157,500

Over \$157,500 \$21,700 plus 33.5 percent of the amount over \$157,500

(b) On or before April 1, 2025, the commissioner shall estimate the total amount of revenue, including interest and penalties, that will be collected for fiscal year 2026 from taxes imposed under sections 297J.02 and 297K.02. If the amount estimated by the commissioner equals or exceeds \$6,900,000, the commissioner shall certify that effective July 1, 2025, the rates under this paragraph apply in lieu of the rates imposed under paragraph (a). If the rates under this paragraph apply, the combined net receipts of an organization are subject to a tax computed according to the following schedule:

If the combined net receipts for the

<u>fiscal year are:</u> The tax is:

Not over \$87,500 5.5 percent

Over \$87,500, but not over \$122,500 \$4,813 plus 15 percent of the amount over \$87,500,

but not over \$122,500

Over \$122,500, but not over \$157,500 \$5,250 plus 23 percent of the amount over \$122,500,

but not over \$157,500

Over \$157,500 \$8,050 plus 32.5 percent of the amount over \$157,500

(c) On or before April 1, 2026, the commissioner shall estimate the total amount of revenue, including interest and penalties, that will be collected for fiscal year 2027 from taxes imposed under sections 297J.02 and 297K.02. If the amount estimated by the commissioner equals or exceeds \$27,100,000, the commissioner shall certify that

effective July 1, 2026, the rates under this paragraph apply in lieu of the rates imposed under paragraph (a) or (b) and shall publish a notice to the effect in the state registry and notify taxpayers by June 1, 2026. If the rates under this paragraph apply, the combined net receipts of an organization are subject to a tax computed according to the following schedule:

If the combined net receipts for the

<u>fiscal year are:</u> <u>The tax is:</u>

Not over \$87,500 four percent

Over \$87,500, but not over \$122,500 \$3,500 plus 13 percent of the amount over \$87,500,

but not over \$122,500

Over \$122,500, but not over \$157,500 \$4,550 plus 20 percent of the amount over \$122,500,

but not over \$157,500

Over \$157,500 \$7,000 plus 28.5 percent of the amount over \$157,500

(d) On or before April 1, 2027, the commissioner shall estimate the total amount of revenue, including interest and penalties, that will be collected for fiscal year 2028 from taxes imposed under sections 297J.02 and 297K.02. If the amount estimated by the commissioner equals or exceeds \$39,900,000, the commissioner shall certify that effective July 1, 2027, the rates under this paragraph apply in lieu of the rates imposed under paragraph (a), (b), or (c) and shall publish a notice to the effect in the state registry and notify taxpayers by June 1, 2027. If the rates under this paragraph apply, the combined net receipts of an organization are subject to a tax computed according to the following schedule:

If the combined net receipts for the

<u>fiscal year are:</u> <u>The tax is:</u>

Not over \$87,500 three percent

Over \$87,500, but not over \$122,500 \$2,625 plus ten percent of the amount over \$87,500,

but not over \$122,500

Over \$122,500, but not over \$157,500 \$3,500 plus 18 percent of the amount over \$122,500,

but not over \$157,500

Over \$157,500 \$6,300 plus 26 percent of the amount over \$157,500

(b) (e) Gross receipts derived from sports-themed tipboards are exempt from taxation under this section. For purposes of this paragraph, a sports-themed tipboard means a sports-themed tipboard as defined in section 349.12, subdivision 34, under which the winning numbers are determined by the numerical outcome of a professional sporting event.

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

- Sec. 2. Minnesota Statutes 2023 Supplement, section 349.12, subdivision 25, is amended to read:
- Subd. 25. Lawful purpose. (a) "Lawful purpose" means one or more of the following:
- (1) any expenditure by or contribution to a 501(c)(3) or festival organization, as defined in subdivision 15c, provided that the organization and expenditure or contribution are in conformity with standards prescribed by the board under section 349.154, which standards must apply to both types of organizations in the same manner and to the same extent;
- (2) a contribution to or expenditure for goods and services for an individual or family suffering from poverty, homelessness, or disability, which is used to relieve the effects of that suffering;

- (3) a contribution to a program recognized by the Minnesota Department of Human Services for the education, prevention, or treatment of problem gambling;
- (4) a contribution to or expenditure on a public or private nonprofit educational institution registered with or accredited by this state or any other state;
- (5) a contribution to an individual, public or private nonprofit educational institution registered with or accredited by this state or any other state, or to a scholarship fund of a nonprofit organization whose primary mission is to award scholarships, for defraying the cost of education to individuals where the funds are awarded through an open and fair selection process;
- (6) activities by an organization or a government entity which recognize military service to the United States, the state of Minnesota, or a community, subject to rules of the board, provided that the rules must not include mileage reimbursements in the computation of the per diem reimbursement limit and must impose no aggregate annual limit on the amount of reasonable and necessary expenditures made to support:
  - (i) members of a military marching or color guard unit for activities conducted within the state;
  - (ii) members of an organization solely for services performed by the members at funeral services;
- (iii) members of military marching, color guard, or honor guard units may be reimbursed for participating in color guard, honor guard, or marching unit events within the state or states contiguous to Minnesota at a per participant rate of up to \$50 per diem; or
  - (iv) active military personnel and their immediate family members in need of support services;
- (7) recreational, community, and athletic facilities and activities, intended primarily for persons under age 21, provided that such facilities and activities do not discriminate on the basis of gender and the organization complies with section 349.154, subdivision 3a;
- (8) payment of local taxes authorized under this chapter, including local gambling taxes authorized under section 349.213, subdivision 3, taxes imposed by the United States on receipts from lawful gambling, the taxes imposed by section 297E.02, subdivisions 1 and 6, and the tax imposed on unrelated business income by section 290.05, subdivision 3;
- (9) payment of real estate taxes and assessments on permitted gambling premises owned by the licensed organization paying the taxes, or wholly leased by a licensed veterans organization under a national charter recognized under section 501(c)(19) of the Internal Revenue Code;
- (10) a contribution to the United States, this state or any of its political subdivisions, or any agency or instrumentality thereof other than a direct contribution to a law enforcement or prosecutorial agency;
- (11) a contribution to or expenditure by a nonprofit organization which is a church or body of communicants gathered in common membership for mutual support and edification in piety, worship, or religious observances;
- (12) an expenditure for citizen monitoring of surface water quality by individuals or nongovernmental organizations that is consistent with section 115.06, subdivision 4, and Minnesota Pollution Control Agency guidance on monitoring procedures, quality assurance protocols, and data management, provided that the resulting data is submitted to the Minnesota Pollution Control Agency for review and inclusion in the state water quality database:

- (13) a contribution to or expenditure on projects or activities approved by the commissioner of natural resources for:
- (i) wildlife management projects that benefit the public at large;
- (ii) grant-in-aid trail maintenance and grooming established under sections 84.83 and 84.927, and other trails open to public use, including purchase or lease of equipment for this purpose; and
- (iii) supplies and materials for safety training and educational programs coordinated by the Department of Natural Resources, including the Enforcement Division;
- (14) conducting nutritional programs, food shelves, and congregate dining programs primarily for persons who are age 62 or older or disabled;
- (15) a contribution to a community arts organization, or an expenditure to sponsor arts programs in the community, including but not limited to visual, literary, performing, or musical arts;
- (16) an expenditure by a licensed fraternal organization or a licensed veterans organization for payment of water, fuel for heating, electricity, and sewer costs for:
- (i) up to 100 percent for a building wholly owned or wholly leased by and used as the primary headquarters of the licensed veteran or fraternal organization; or
- (ii) a proportional amount subject to approval by the director and based on the portion of a building used as the primary headquarters of the licensed veteran or fraternal organization;
- (17) expenditure by a licensed veterans organization of up to \$5,000 in a calendar year in net costs to the organization for meals and other membership events, limited to members and spouses, held in recognition of military service. No more than \$5,000 can be expended in total per calendar year under this clause by all licensed veterans organizations sharing the same veterans post home;
- (18) payment of fees authorized under this chapter imposed by the state of Minnesota to conduct lawful gambling in Minnesota;
- (19) a contribution or expenditure to honor an individual's humanitarian service as demonstrated through philanthropy or volunteerism to the United States, this state, or local community;
- (20) a contribution by a licensed organization to another licensed organization with prior board approval, with the contribution designated to be used for one or more of the following lawful purposes under this section: clauses (1) to (7), (11) to (15), (19), and (25);
- (21) an expenditure that is a contribution to a parent organization, if the parent organization: (i) has not provided to the contributing organization within one year of the contribution any money, grants, property, or other thing of value, and (ii) has received prior board approval for the contribution that will be used for a program that meets one or more of the lawful purposes under subdivision 7a;
- (22) an expenditure for the repair, maintenance, or improvement of real property and capital assets owned by an organization, or for the replacement of a capital asset that can no longer be repaired, with a fiscal year limit of five percent of gross profits from the previous fiscal year, with no carryforward of unused allowances. The fiscal year is July 1 through June 30. Total expenditures for the fiscal year may not exceed the limit unless the board has specifically approved the expenditures that exceed the limit due to extenuating circumstances beyond the organization's control. An expansion of a building or bar-related expenditures are not allowed under this provision.

- (i) The expenditure must be related to the portion of the real property or capital asset that must be made available for use free of any charge to other nonprofit organizations, community groups, or service groups, and is used for the organization's primary mission or headquarters.
- (ii) An expenditure may be made to bring an existing building that the organization owns into compliance with the Americans with Disabilities Act.
- (iii) An organization may apply the amount that is allowed under item (ii) to the erection or acquisition of a replacement building that is in compliance with the Americans with Disabilities Act if the board has specifically approved the amount. The cost of the erection or acquisition of a replacement building may not be made from gambling proceeds, except for the portion allowed under this item;
- (23) an expenditure for the acquisition or improvement of a capital asset with a cost greater than \$2,000, excluding real property, that will be used exclusively for lawful purposes under this section if the board has specifically approved the amount;
- (24) an expenditure for the acquisition, erection, improvement, or expansion of real property, if the board has first specifically authorized the expenditure after finding that the real property will be used exclusively for lawful purpose under this section;
- (25) an expenditure, including a mortgage payment or other debt service payment, for the erection or acquisition of a comparable building to replace an organization-owned building that was destroyed or made uninhabitable by fire or catastrophe or to replace an organization-owned building that was taken or sold under an eminent domain proceeding. The expenditure may be only for that part of the replacement cost not reimbursed by insurance for the fire or catastrophe or compensation not received from a governmental unit under the eminent domain proceeding, if the board has first specifically authorized the expenditure; or
- (26) a contribution to a 501(c)(19) organization that does not have an organization license under section 349.16 and is not affiliated with the contributing organization, and whose owned or leased property is not a permitted premises under section 349.165. The 501(c)(19) organization may only use the contribution for lawful purposes under this subdivision or for the organization's primary mission. The 501(c)(19) organization may not use the contribution for expansion of a building or for bar-related expenditures. A contribution may not be made to a statewide organization representing a consortia of 501(c)(19) organizations; or
- (27)(i) an expenditure made after June 30, 2024, and before August 1, 2029, for the repair, maintenance, or improvement of real property and capital assets owned by the following organizations, or for the replacement of a capital asset owned by the following organizations that can no longer be repaired:
  - (A) American Legion;
  - (B) Veterans of Foreign Wars of the United States (VFW);
  - (C) Jewish War Veterans of the United States of America;
  - (D) Military Order of the Purple Heart;
  - (E) AMVETS;
  - (F) Marine Corps League;
  - (G) Paralyzed Veterans of America; or
  - (H) Disabled American Veterans.

- (ii) The expenditure is limited to 50 percent of gross profits from the previous fiscal year. The fiscal year is July 1 through June 30. Any unused allowances may carry forward pursuant to the requirements in item (iii).
- (iii) For qualifying organizations whose gross receipts exceed \$400,000 per year, the organization may carry forward unused allowances for up to two years. For qualifying organizations whose gross receipts do not exceed \$400,000 per year, the organization may carry forward unused allowances for up to three years. Any organization carrying forward funds must identify the planned project for which the funds will be used prior to carrying forward the unused allowances.
- (iv) Total expenditures for the fiscal year may not exceed the limit imposed under item (ii) unless the board has specifically approved the expenditures that exceed the limit due to extenuating circumstances beyond the organization's control. An expansion of a building or any capital improvements within the building regardless of use of the improvement are allowed under this provision. This provision applies only to capital improvements to the existing building square footage and does not apply to the new construction of a new or replacement building.
- (b) Expenditures authorized by the board under paragraph (a), clauses (24) and (25), must be 51 percent completed within two years of the date of board approval; otherwise the organization must reapply to the board for approval of the project. "Fifty-one percent completed" means that the work completed must represent at least 51 percent of the value of the project as documented by the contractor or vendor.
  - (c) Notwithstanding paragraph (a), "lawful purpose" does not include:
- (1) any expenditure made or incurred for the purpose of influencing the nomination or election of a candidate for public office or for the purpose of promoting or defeating a ballot question;
  - (2) any activity intended to influence an election or a governmental decision-making process;
- (3) a contribution to a statutory or home rule charter city, county, or town by a licensed organization with the knowledge that the governmental unit intends to use the contribution for a pension or retirement fund; or
- (4) a contribution to a 501(c)(3) organization or other entity with the intent or effect of not complying with lawful purpose restrictions or requirements.

# ARTICLE 8 PARI-MUTUEL HORSE RACING

- Section 1. Minnesota Statutes 2022, section 240.01, subdivision 1c, is amended to read:
- Subd. 1c. **Advance deposit wagering; ADW.** "Advance deposit wagering" or "ADW" means a system of pari-mutuel wagering betting in which wagers and withdrawals are debited and winning payoffs and deposits are credited to an account held by an authorized ADW provider on behalf of an account holder. Advance deposit wagering shall not mean or include historical horse racing, nor any televised, video, or computer screen depicting a video game of chance or slot machine.
  - Sec. 2. Minnesota Statutes 2022, section 240.01, subdivision 8, is amended to read:
- Subd. 8. **Horse racing.** "Horse racing" is any form of <u>live or simulcast of a live</u> horse <u>racing race</u> in which horses carry a <u>human</u> rider or pull a sulky <u>with a human</u>. <u>Horse racing shall not include any form that has happened in the past or is considered historical horse racing.</u>

- Sec. 3. Minnesota Statutes 2022, section 240.01, is amended by adding a subdivision to read:
- <u>Subd. 8a.</u> <u>Historical horse racing.</u> "Historical horse racing" means any horse race that was previously conducted at a licensed racetrack, concluded with results, and concluded without scratches, disqualifications, or dead-heat finishes.
  - Sec. 4. Minnesota Statutes 2022, section 240.01, subdivision 14, is amended to read:
- Subd. 14. **Pari-mutuel betting.** "Pari-mutuel betting" is the system of betting on horse races where those who bet on horses that finish in the position or positions for which bets are taken share in the total amounts bet, less deductions required or permitted by law. <u>Pari-mutuel betting shall not include betting on a race that has occurred in the past or is considered historical horse racing or where bettors are not wagering on the same live or simulcast horse race or bettors do not share in the total amount of bets taken.</u>

## Sec. 5. [240.071] PROHIBITED ACTS.

A licensed racetrack shall only conduct horse racing and may be authorized to operate a card club in accordance with this chapter. A licensed racetrack shall not conduct or provide for play any other forms of gambling, including but not limited to historical horse racing, slot machines, video games of chance, and other gambling devices.

### Sec. 6. [240.1563] RACING COMMISSION ECONOMIC DEVELOPMENT ACCOUNT.

The Racing Commission economic development account is established in the special revenue fund. The account shall consist of any amounts transferred from the general fund. The amounts deposited into the account are appropriated to the Minnesota Racing Commission. The commission must provide money annually as follows to fund purse supplements:

- (1) 28 percent to a licensed racetrack that primarily conducts standardbred horse racing; and
- (2) 72 percent to a licensed racetrack that primarily conducts Thoroughbred and Quarter Horse racing.

## Sec. 7. [240.231] LIMITATIONS ON RULEMAKING AND OTHER AUTHORITY.

The commission's rulemaking and other authority, whether derived from section 240.23 or other sections in this chapter, shall only pertain to horse racing and card games at a card club as expressly authorized in this chapter and shall not include the authority to expand gambling, nor the authority to approve or regulate historical horse racing, slot machines, video games of chance, and other gambling devices, by means of rulemaking, a contested case hearing, the review and approval of a plan of operation or proposed or amended plan of operation, the approval of any proposal or request, or any other commission or agency action.

- Sec. 8. Minnesota Statutes 2022, section 240.30, subdivision 8, is amended to read:
- Subd. 8. **Limitations.** The commission may not approve any plan of operation under subdivision 6 that exceeds any of the following limitations:
- (1) the maximum number of tables used for card playing at the card club at any one time, other than tables used for instruction, demonstrations, or poker tournament play, may not exceed 80;
  - (2) except as provided in clause (3), no wager may exceed \$100;

- (3) for games in which each player is allowed to make only one wager or has a limited opportunity to change that wager, no wager may exceed \$300-; and
- (4) no inclusion of any historical horse racing or any other form of gambling that is not expressly authorized for racetracks under this chapter.

#### Sec. 9. EFFECTIVE DATE.

This article is effective the day following final enactment.

# ARTICLE 9 APPROPRIATIONS; MISCELLANEOUS

- Section 1. Minnesota Statutes 2022, section 609.761, subdivision 3, is amended to read:
- Subd. 3. **Social skill game.** Sections 609.755 and 609.76 do not prohibit tournaments or contests that satisfy all of the following requirements:
- (1) the tournament or contest consists of the card games of chance commonly known as cribbage, skat, sheepshead, bridge, euchre, <u>hasenpfeffer</u>, pinochle, gin, 500, smear, Texas hold'em, or whist;
  - (2) the tournament or contest does not provide any direct financial benefit to the promoter or organizer;
  - (3) the value of all prizes awarded for each tournament or contest does not exceed \$200; and
  - (4) for a tournament or contest involving Texas hold'em:
  - (i) no person under 18 years of age may participate;
  - (ii) the payment of an entry fee or other consideration for participating is prohibited;
- (iii) the value of all prizes awarded to an individual winner of a tournament or contest at a single location may not exceed \$200 each day; and
- (iv) the organizer or promoter must ensure that reasonable accommodations are made for players with disabilities. Accommodations to the table and the cards shall include the announcement of the cards visible to the entire table and the use of Braille cards for players who are blind.

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

## Sec. 2. <u>DEPARTMENT OF PUBLIC SAFETY</u>; <u>APPROPRIATION</u>.

\$8,316,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of public safety to perform the duties required to establish and regulate mobile sports betting under Minnesota Statutes, sections 299L.10 to 299L.80, and fantasy contests under Minnesota Statutes, chapter 349C. The base for this appropriation is \$5,486,000 in fiscal year 2026 and \$5,466,000 in fiscal year 2027 and each fiscal year thereafter.

#### Sec. 3. DEPARTMENT OF REVENUE; APPROPRIATION.

\$10,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of revenue to perform the duties necessary to establish and enforce the taxation of mobile sports betting and fantasy contests under Minnesota Statutes, chapters 297J and 297K. The base for this appropriation is \$2,023,000 in fiscal year 2026 and \$1,740,000 in fiscal year 2027 and each fiscal year thereafter.

### Sec. 4. DEPARTMENT OF HUMAN SERVICES; APPROPRIATION.

The base appropriation in fiscal year 2026 is \$216,000 and \$422,000 in fiscal year 2027 and each fiscal year thereafter to the commissioner of human services to administer the money appropriated under Minnesota Statutes, section 297J.02, subdivision 8.

#### Sec. 5. OFFICE OF THE ATTORNEY GENERAL; APPROPRIATION.

\$702,000 in fiscal year 2025 is appropriated from the general fund to the Office of the Attorney General to perform the duties required to support state agencies regarding the regulation of mobile sports betting under Minnesota Statutes, sections 299L.10 to 299L.80, and fantasy contests under Minnesota Statutes, chapter 349C. This is an ongoing appropriation.

### Sec. 6. RACING COMMISSION ECONOMIC DEVELOPMENT ACCOUNT; TRANSFER.

\$625,000 in fiscal year 2026 is transferred from the general fund to the Racing Commission economic development account in the special revenue fund to perform the duties imposed under Minnesota Statutes, section 240.1563. This transfer is ongoing.

# Sec. 7. <u>STUDY ON MOTIVATIONS AND BELIEFS OF YOUNG ADULT GAMBLERS;</u> <u>APPROPRIATION.</u>

- Subdivision 1. Appropriation. \$150,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of public safety for a grant to a nonprofit organization to conduct a study on the gambling motivations and beliefs of young adult gamblers. The commissioner may not use any amount of this appropriation to administer the grant. This is a onetime appropriation.
- <u>Subd. 2.</u> <u>Award.</u> The commissioner shall award the grant to a nonprofit, gambling-neutral organization with experience raising public awareness about problem gambling and providing professional training for those who work with problem gamblers.
- Subd. 3. Focus group. (a) The grant recipient shall convene a focus group of 40 individuals who are at least 18 years of age but not more than 35 years of age and who have experience gambling in Minnesota.
- (b) Membership of the focus group shall reflect the geographical and demographic diversity of Minnesotans who are 18 to 35 years of age.
- (c) The focus group shall identify the reasons that young adults gamble and the ways in which they engage in gambling, including whether they wager on sporting events; participate in fantasy sports; purchase lottery tickets; visit casinos; engage in online gambling; participate in card playing as defined in Minnesota Statutes, section 240.01, subdivision 5; engage in pari-mutuel betting as defined in Minnesota Statutes, section 240.01, subdivision 14; or participate in lawful gambling authorized under Minnesota Statutes, chapter 349.
- Subd. 4. Qualitative survey. Following completion of the focus group described in subdivision 3, the grant recipient shall create a qualitative survey and obtain responses from a sample of at least 50,000 individuals.
- Subd. 5. **Report.** By January 15, 2026, the grant recipient shall submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety, the legislative committees with jurisdiction over taxes, the committee in the house of representatives with jurisdiction over commerce, the committee in the senate with jurisdiction over state government finance and policy, the committee in the house of representatives with jurisdiction over ways and means, and the committee in the senate with jurisdiction over finance. The report shall summarize the actions and findings of the grant recipient and shall make recommendations for policies and the use of financial resources to prevent and address problem gambling by young adults."

Delete the title and insert:

"A bill for an act relating to gambling; authorizing and providing for sports betting and fantasy contests; establishing licenses; prohibiting local restrictions; providing for taxation of sports betting and fantasy contests; providing civil and criminal penalties; providing for amateur sports grants; providing for charitable gambling and modifying certain rates of tax on lawful gambling; providing for pari-mutuel horse racing; making clarifying, conforming, and technical changes; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 240.01, subdivisions 1c, 8, 14, by adding a subdivision; 240.30, subdivision 8; 245.98, subdivision 2; 260B.007, subdivision 16; 270B.07, by adding a subdivision; 609.75, subdivisions 3, 4, 7, by adding subdivisions; 609.755; 609.76, subdivision 2; 609.761, subdivision 3; Minnesota Statutes 2023 Supplement, sections 297E.02, subdivision 6; 349.12, subdivision 25; proposing coding for new law in Minnesota Statutes, chapters 240; 240A; 299L; 609; proposing coding for new law as Minnesota Statutes, chapters 297J; 297K; 349C."

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

The report was adopted.

Olson, L., from the Committee on Ways and Means to which was referred:

H. F. No. 5363, A bill for an act relating to employees; modifying paid leave provisions; amending Minnesota Statutes 2023 Supplement, sections 268B.01, subdivisions 3, 5, 8, 15, 23, 44, by adding subdivisions; 268B.04; 268B.06, subdivisions 2, 3, 4, 5, by adding a subdivision; 268B.07, subdivisions 1, 2, 3; 268B.09, subdivisions 1, 6, 7; 268B.10, subdivisions 1, 2, 3, 6, 12, 16, 17, by adding subdivisions; 268B.14, subdivisions 3, 7, by adding subdivisions; 268B.15, subdivision 7; 268B.155, subdivision 2; 268B.185, subdivision 2; 268B.19; 268B.26; 268B.27, subdivision 2; 268B.29; proposing coding for new law in Minnesota Statutes, chapter 268B; repealing Minnesota Statutes 2023 Supplement, sections 268B.06, subdivision 7; 268B.08; 268B.10, subdivision 11; 268B.14, subdivision 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [268B.001] CITATION.

This chapter may be cited as the "Minnesota Paid Leave Law."

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

Sec. 2. Minnesota Statutes 2023 Supplement, section 268B.01, subdivision 3, is amended to read:

Subd. 3. **Applicant.** "Applicant" means an individual <u>or the individual's authorized representative</u> applying for leave with benefits under this chapter.

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

- Sec. 3. Minnesota Statutes 2023 Supplement, section 268B.01, is amended by adding a subdivision to read:
- Subd. 4a. Authorized representative. "Authorized representative" means an individual designated by the person or the individual's legal representative to act on their behalf. This individual may be a family member, guardian, or other individual designated by the person or the individual's legal representative, if any, to assist in purchasing and arranging for supports. For the purposes of this chapter, an authorized representative must be at least 18 years of age.

- Sec. 4. Minnesota Statutes 2023 Supplement, section 268B.01, subdivision 5, is amended to read:
- Subd. 5. **Base period.** (a) "Base period," unless otherwise provided in this subdivision, means the most recent four completed calendar quarters before the effective date of an applicant's application for family or medical leave benefits if the application has an effective date occurring after the month following the most recent completed calendar quarter. The base period under this paragraph is as follows:

If the application for family or medical leave benefits

is effective on or between these dates:

The base period is the prior:

February 1 to March 31 May 1 to June 30 August 1 to September 30

August 1 to September 30 July 1 to June 30

November 1 to December 31 October 1 to September 30

(b) If an application for family or medical leave benefits has an effective date that is during the month following the most recent completed calendar quarter, then the base period is the first four of the most recent five completed calendar quarters before the effective date of an applicant's application for family or medical leave benefits. The base period under this paragraph is as follows:

If the application for family or medical leave benefits

is effective on or between these dates:

The base period is the prior:

January 1 to January 31 April 1 to April 30 July 1 to July 31 October 1 to October 31 October 1 to September 30 January 1 to December 31 April 1 to March 31 July 1 to June 30

January 1 to December 31

April 1 to March 31

- (c) Regardless of paragraph (a), a base period of the first four of the most recent five completed calendar quarters must be used if the applicant would have more wage credits under that base period than under a base period of the four most recent completed calendar quarters.
- (d) If the applicant has insufficient wage credits to establish a benefit account under a base period of the four most recent completed calendar quarters, or a base period of the first four of the most recent five completed calendar quarters, but during either base period the applicant received workers' compensation for temporary disability under chapter 176 or a similar federal law or similar law of another state, or if the applicant whose own serious illness caused a loss of work for which the applicant received compensation for loss of wages from some other source, the applicant may request a base period as follows:

- (1) if an applicant was compensated for a loss of work of seven to 13 weeks during a base period referred to in paragraph (a) or (b), then the base period is the first four of the most recent six completed calendar quarters before the effective date of the application for family or medical leave benefits;
- (2) if an applicant was compensated for a loss of work of 14 to 26 weeks during a base period referred to in paragraph (a) or (b), then the base period is the first four of the most recent seven completed calendar quarters before the effective date of the application for family or medical leave benefits;
- (3) if an applicant was compensated for a loss of work of 27 to 39 weeks during a base period referred to in paragraph (a) or (b), then the base period is the first four of the most recent eight completed calendar quarters before the effective date of the application for family or medical leave benefits; and
- (4) if an applicant was compensated for a loss of work of 40 to 52 or more weeks during a base period referred to in paragraph (a) or (b), then the base period is the first four of the most recent nine completed calendar quarters before the effective date of the application for family or medical leave benefits.
- (e) For an applicant under a private plan as provided in section 268B.10, the base period is those most recent four quarters in which wage credits were earned with the current employer as provided by the current employer. If an employer does not have four quarters of wage detail information, the employer must accept an employee's certification of wage credits, based on the employee's records. If the employee does not provide certification of additional wage credits, the employer may use a base period that consists of all available quarters.
  - (f) The base period is calculated once during the benefit year.

- Sec. 5. Minnesota Statutes 2023 Supplement, section 268B.01, subdivision 8, is amended to read:
- Subd. 8. **Benefit year.** (a) Except as provided in paragraphs paragraphs (b) to (d), "benefit year" means the period of 52 calendar weeks beginning the date a benefit account effective date of leave under section 268B.04 is effective. For a benefit account established an effective date of leave that is any January 1, April 1, July 1, or October 1, the benefit year will be a period of 53 calendar weeks.
- (b) For an individual with multiple employers participating in the state plan, "benefit year" means the period of 52 calendar weeks beginning the date an effective date of leave under section 268B.04 is effective for any of the multiple employers.
  - (b) (c) For a private plan under section 268B.10, "benefit year" means:
  - (1) a calendar year;
- (2) any fixed 12-month period, such as a fiscal year or a 12-month period measured forward from an employee's first date of employment;
  - (3) a 12-month period measured forward from an employee's first day of leave taken; or
  - (4) a rolling 12-month period measured backward from an employee's first day of leave taken.

Employers are required to notify employees of their benefit year within 30 days of the private plan approval and first day of employment.

- (d) For individuals with multiple employers with at least one employer participating in the state plan and at least one employer participating in a private plan:
- (1) for the employer or employers participating in the state plan, "benefit year" means the period of 52 calendar weeks beginning the effective date of leave is effective for any employer; and
- (2) the employer or employers participating in a private plan may define their benefit year according to paragraph (b).

- Sec. 6. Minnesota Statutes 2023 Supplement, section 268B.01, subdivision 15, is amended to read:
- Subd. 15. **Covered employment.** (a) "Covered employment" means performing services of whatever nature, unlimited by the relationship of master and servant as known to the common law, or any other legal relationship performed for wages or under any contract calling for the performance of services, written or oral, express or implied.
- (b) For the purposes of this chapter, covered employment means an employee's entire employment during a calendar <del>year</del> <u>quarter</u> if:
  - (1) 50 percent or more of the employment during the calendar year quarter is performed in Minnesota; or
- (2) 50 percent or more of the employment during the calendar year quarter is not performed in Minnesota or any other single state within the United States, or Canada United States territory or foreign nation, but some of the employment is performed in Minnesota and the employee's residence is in Minnesota during 50 percent or more of the calendar year; or quarter.
- (3) 50 percent or more of the employment during the calendar year is not performed in Minnesota or any other state, or Canada, but the place from where the employee's employment is controlled and directed is based in Minnesota.
  - (c) "Covered employment" does not include:
  - (1) a self-employed individual;
  - (2) an independent contractor; or
  - (3) employment by a seasonal employee, as defined in subdivision 35.
- (d) Entities that are excluded under this section may opt in to coverage following a procedure determined by the commissioner. In such cases, services provided by employees are considered covered employment under subdivision 15.
  - (e) The commissioner may adopt rules in accordance with chapter 14 to:
  - (1) further define the application of this subdivision; and
- (2) establish the criteria for covered employment for individuals that do not meet the criteria in paragraphs (a) and (b), but that perform services as an employee to a Minnesota employer.

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

- Sec. 7. Minnesota Statutes 2023 Supplement, section 268B.01, is amended by adding a subdivision to read:
- Subd. 15a. Covered individual. "Covered individual" means either:
- (1) an applicant who meets the financial eligibility requirements of section 268B.04, subdivision 2, if services provided are covered employment under subdivision 15; or
- (2) a self-employed individual or independent contractor who has elected coverage under section 268B.11 and who meets the financial eligibility requirements under section 268B.11.

- Sec. 8. Minnesota Statutes 2023 Supplement, section 268B.01, is amended by adding a subdivision to read:
- Subd. 15b. Effective date of application. "Effective date of application" means the date on which an application is submitted to the department.

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

- Sec. 9. Minnesota Statutes 2023 Supplement, section 268B.01, is amended by adding a subdivision to read:
- Subd. 15c. <u>Effective date of leave.</u> "Effective date of leave" means the date of first absence associated with a leave under section 268B.09.

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

- Sec. 10. Minnesota Statutes 2023 Supplement, section 268B.01, subdivision 23, is amended to read:
- Subd. 23. **Family member.** (a) "Family member" means, with respect to an applicant:
- (1) a spouse or domestic partner;
- (2) a child, including a biological <u>child</u>, adopted <u>child</u>, <del>or</del> foster child, <del>a</del> stepchild, <u>child of a domestic partner</u>, or a child to whom the applicant stands in loco parentis, is a legal guardian, or is a de facto <del>parent</del> custodian;
  - (3) a parent or legal guardian of the applicant;
  - (4) a sibling;
  - (5) a grandchild;
  - (6) a grandparent or spouse's grandparent;
  - (7) a son-in-law or daughter-in-law; and
- (8) an individual who has a <u>personal</u> relationship with the applicant that creates an expectation and reliance that the applicant care for the individual <u>without compensation</u>, whether or not the applicant and the individual reside together.
  - (b) For the purposes of this chapter, "grandchild" means a child of the applicant's child.

- (c) For the purposes of this chapter, "grandparent" means a parent of the applicant's parent.
- (d) For the purposes of this chapter, "parent" means the biological, adoptive, de facto <u>custodian</u>, or foster parent, stepparent, or legal guardian of an applicant or the applicant's spouse, or an individual who stood in loco parentis to an applicant when the applicant was a child.

- Sec. 11. Minnesota Statutes 2023 Supplement, section 268B.01, is amended by adding a subdivision to read:
- <u>Subd. 23a.</u> <u>Financially eligible.</u> "Financially eligible" means an applicant meets the requirements established under section 268B.04, subdivision 2.

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

- Sec. 12. Minnesota Statutes 2023 Supplement, section 268B.01, is amended by adding a subdivision to read:
- Subd. 27a. **Initial paid week.** "Initial paid week" means the first seven days of a leave, which must be paid and is a payable period for leave types including family care, medical care related to pregnancy, serious health condition, qualifying exigency, or safety leave. For intermittent leave, initial paid week means seven consecutive or nonconsecutive, or a combination of consecutive and nonconsecutive, calendar days from the effective date of leave, of which only days when leave is taken are payable. The initial week must be paid retroactively after the applicant has met the seven-day qualifying event under section 268B.06, subdivision 2.

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

- Sec. 13. Minnesota Statutes 2023 Supplement, section 268B.01, subdivision 44, is amended to read:
- Subd. 44. Typical workweek. "Typical workweek" means:
- (1) for an hourly employee, the average number of hours worked per week by an employee within the high quarter during the base year; or last two quarters prior to the effective date of application.
  - (2) 40 hours for a salaried employee, regardless of the number of hours the salaried employee typically works.

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

Sec. 14. Minnesota Statutes 2023 Supplement, section 268B.04, is amended to read:

### 268B.04 BENEFIT ACCOUNT FINANCIAL ELIGIBILITY; BENEFITS.

Subdivision 1. **Application for benefits; determination of benefit account financial eligibility.** (a) An application for benefits may be filed up to 60 days before leave taken under chapter 268B in person, by mail, or by electronic transmission as the commissioner may require. The applicant must include certification supporting a request for leave under this chapter. The applicant must meet eligibility requirements and must provide all requested information in the manner required. If the applicant fails to provide all requested information, the communication is not an application for family and medical leave benefits within a time period to be specified by the commissioner, the application is considered closed and the division must not further act on it.

- (b) The commissioner must examine each application for benefits to determine the base period and the benefit year, and based upon all the covered employment in the base period the commissioner must determine the financial eligibility of the applicant, which includes the weekly benefit amount available, if any, and the maximum amount of benefits available, if any. The determination, which is a document separate and distinct from a document titled a determination of eligibility or determination of ineligibility, must be titled determination of benefit account. A determination of benefit account must be sent to the applicant and all base period employers, by mail or electronic transmission. The department must notify all employers from which the applicant is taking leave, either in writing or electronically, not more than five business days after a claim for benefits has been filed by an employee or former employee as provided under this section.
- (c) If a base period employer did not provide wage detail information for the applicant as required under section 268B.12, the commissioner may accept an applicant certification of wage credits, based upon the applicant's records, and issue a determination of benefit account determine the financial eligibility of the applicant.
- (d) The commissioner may, at any time within 12 months from the establishment of a benefit account leave, reconsider any determination of benefit account and make an amended determination if the commissioner finds that the wage credits listed in the determination were incorrect for any reason. An amended determination of benefit account must be promptly sent to the applicant and all any impacted base period employers, by mail or electronic transmission. This paragraph does not apply to documents titled determinations of eligibility or determinations of ineligibility issued.
- (e) If an amended determination of benefit account reduces the weekly benefit amount or maximum amount of benefits available, any benefits that have been paid greater than the applicant was entitled is an overpayment of benefits. A determination or amended determination issued under this section that results in an overpayment of benefits must set out the amount of the overpayment and the requirement that the overpaid benefits must be repaid according to section 268B.185.
- Subd. 2. **Benefit account requirements.** To establish a benefit account, an applicant must have wage credits of at least 5.3 percent of the state's average annual wage rounded down to the next lower \$100.
- Subd. 3. Weekly benefit amount; maximum amount of benefits available; prorated amount. (a) Subject to the maximum weekly benefit amount, an applicant's weekly benefit is calculated by adding the amounts obtained by applying the following percentage to an applicant's average typical workweek and weekly wage during the high quarter of the base period:
  - (1) 90 percent of wages that do not exceed 50 percent of the state's average weekly wage; plus
  - (2) 66 percent of wages that exceed 50 percent of the state's average weekly wage but not 100 percent; plus
  - (3) 55 percent of wages that exceed 100 percent of the state's average weekly wage.
- (b) For applicants that have changed employers within the base period, the weekly benefit amount is calculated based on the highest quarter of wages in the base period.
- (b) (c) The state's average weekly wage is the average wage as calculated under section 268.035, subdivision 23, at the time a benefit amount is first determined.
- (e) (d) The maximum weekly benefit amount is the state's average weekly wage as calculated under section 268.035, subdivision 23.

- (d) (e) The state's maximum weekly benefit amount, computed in accordance with section 268.035, subdivision 23, applies to a benefit account leaves established effective on or after the last Sunday in October. Once established, an applicant's weekly benefit amount is not affected by the last Sunday in October change in the state's maximum weekly benefit amount.
- (e) (f) For an employee a covered individual receiving family or medical leave, a weekly benefit amount is prorated when:
  - (1) the employee covered individual works hours for wages;
- (2) the employee covered individual uses paid sick leave, paid vacation leave, or other paid time off that is not considered a supplemental benefit payment as defined in section 268B.01, subdivision 41; or
  - (3) leave is taken intermittently.
  - Subd. 4. Timing of payment. Except as otherwise provided for in this chapter, benefits must be paid weekly.
- Subd. 5. **Maximum length of benefits.** (a) The total number of weeks that an applicant may take benefits in a single benefit year for a serious health condition is the lesser of 12 weeks, or 12 weeks minus the number of weeks within the same benefit year that the applicant received benefits for bonding, safety leave, family care, or and qualifying exigency plus eight weeks.
- (b) The total number of weeks that an applicant may take benefits in a single benefit year for bonding, safety leave, family care, or and qualifying exigency is the lesser of 12 weeks, or 12 weeks minus the number of weeks within the same benefit year that the applicant received benefits for a serious health condition plus eight weeks.
- Subd. 6. **Minimum period for which benefits payable.** Except for a claim for benefits for bonding leave, any claim for benefits must be based on a single qualifying event of at least seven calendar days. The minimum duration to receive benefits under this chapter is one work day in a work week.
- Subd. 6a. Minimum increment of leave. Intermittent leave must be taken in increments consistent with the established policy of the employer to account for use of other forms of leave, so long as such employer's policy permits a minimum increment of at most one calendar day of intermittent leave. An applicant is not permitted to apply for payment for benefits associated with intermittent leave until the applicant has eight hours of accumulated leave time, unless more than 30 calendar days have lapsed since the initial taking of the leave.
- Subd. 7. **Right of appeal.** (a) A determination or amended determination of benefit account is final unless an appeal is filed by the applicant within 60 calendar days after the sending of the determination or amended determination.
- (b) Any applicant may appeal from a determination or amended determination of benefit account on the issue of whether services performed constitute employment, whether the employment is covered employment, and whether money paid constitutes wages.
- Subd. 8. **Limitations on applications and benefit accounts** <u>leaves</u>. (a) An application for family or medical leave benefits is effective the Sunday of the calendar week that the application was filed. An application for benefits may be backdated one calendar week before the Sunday of the week the application was actually filed if the applicant requests the backdating within seven calendar days of the <u>date the application</u> is <u>filed</u> <u>effective date of application</u>. An application may be backdated only if the applicant was eligible for the benefit during the period of the backdating. If an individual attempted to file an application for benefits, but was prevented from filing an application by the department, the application is effective the Sunday of the calendar week the individual first attempted to file an application.

(b) If the applicant was unable to apply in a timely manner due to incapacitation or due to no fault of their own, the commissioner may backdate the claim beyond one calendar week to the effective date of leave. The commissioner may require the employee to prove the circumstances that prevented timely filing.

## **EFFECTIVE DATE.** This section is effective November 1, 2025.

- Sec. 15. Minnesota Statutes 2023 Supplement, section 268B.06, subdivision 2, is amended to read:
- Subd. 2. **Seven-day qualifying event.** (a) The period for which an applicant is seeking benefits must be or have been based on a single event of at least seven calendar days' duration related to medical care related to pregnancy, family care, a qualifying exigency, safety leave, or the applicant's serious health condition. The days must be consecutive, unless the leave is intermittent. The seven-day qualifying event under this paragraph is a retroactively payable period, not an unpaid waiting period.
  - (b) Benefits related to bonding need not meet the seven-day qualifying event requirement.
- (c) The commissioner shall use the rulemaking authority under section 268B.02, subdivision 3, to adopt rules regarding what serious health conditions and other events are prospectively presumed to constitute seven-day qualifying events under this chapter.

## **EFFECTIVE DATE.** This section is effective November 1, 2025.

- Sec. 16. Minnesota Statutes 2023 Supplement, section 268B.06, subdivision 3, is amended to read:
- Subd. 3. **Certification.** (a) Certification for an applicant taking leave related to the applicant's serious health condition shall be sufficient if the certification states the date on which the serious health condition began, the probable duration of the condition, and the appropriate medical facts within the knowledge of the health care provider as required by the commissioner. If the applicant requests intermittent leave, the certification must include the health care provider's reasonable estimate of the frequency and duration and estimated treatment schedule, if applicable.
- (b) Certification for an applicant taking leave to care for a family member with a serious health condition shall be sufficient if the certification states the date on which the serious health condition commenced, the probable duration of the condition, the appropriate medical facts within the knowledge of the health care provider as required by the commissioner, a statement that the family member requires care, and an estimate of the amount of time that the family member will require care.
- (c) Certification for an applicant taking leave due to medical care related to pregnancy shall be sufficient if the certification states the applicant is experiencing medical care related to pregnancy and recovery period based on appropriate medical facts within the knowledge of the health care provider.
- (d) Certification for an applicant taking bonding leave because of the birth of the applicant's child shall be sufficient if the certification includes either the child's birth certificate or a document issued by the health care provider of the child or the health care provider of the person who gave birth, stating the child's birth date or estimated due date.
- (e) Certification for an applicant taking bonding leave because of the placement of a child with the applicant for adoption or foster care shall be sufficient if the applicant provides a document issued by the health care provider of the child, an adoption or foster care agency involved in the placement, or by other individuals as determined by the

commissioner that confirms the placement and the date of placement. To the extent that the status of an applicant as an adoptive or foster parent changes while an application for benefits is pending, or while the covered individual is receiving benefits, the applicant must notify the department of such change in status in writing.

- (f) Certification for an applicant taking leave because of a qualifying exigency shall be sufficient if the certification includes:
  - (1) a copy of the family member's active-duty orders;
  - (2) other documentation issued by the United States armed forces; or
  - (3) other documentation permitted by the commissioner.
- (g) Certification for an applicant taking safety leave is sufficient if the certification includes a court record or documentation signed by an employee of a victim's services organization, an attorney, a police officer, or an antiviolence counselor a provider acting in the provider's professional capacity to declare a need for safety leave. The commissioner must not require disclosure of details relating to an applicant's or applicant's family member's domestic abuse, sexual assault, or stalking. The commissioner may adopt rules regarding an individual's capacity to declare a need for safety leave.
- (h) Certifications under paragraphs (a) to (e) (d) must be reviewed and signed by a health care provider with knowledge of the qualifying event associated with the leave.
- (i) For a leave taken on an intermittent basis, based on a serious health condition of an applicant or applicant's family member, the certification under this subdivision must include an explanation of how such leave would be medically beneficial to the individual with the serious health condition.

#### **EFFECTIVE DATE.** This section is effective November 1, 2025.

- Sec. 17. Minnesota Statutes 2023 Supplement, section 268B.06, subdivision 4, is amended to read:
- Subd. 4. **Not eligible.** An applicant is ineligible for family or medical leave benefits for any portion of a typical workweek:
  - (1) that occurs before the effective date of a benefit account leave;
- (2) that the applicant fails or refuses to provide information on an issue of ineligibility required under section 268B.07, subdivision 2; or
  - (3) for which the applicant worked for pay-;
  - (4) for which the applicant is incarcerated; or
  - (5) for which the applicant is receiving or has received unemployment insurance benefits.

## **EFFECTIVE DATE.** This section is effective November 1, 2025.

- Sec. 18. Minnesota Statutes 2023 Supplement, section 268B.06, subdivision 5, is amended to read:
- Subd. 5. **Vacation, sick leave, and paid time off, and disability insurance payments.** (a) An employee may use vacation pay, sick pay, or paid time off pay, or disability insurance payments, in lieu of family or medical leave program benefits under this chapter, provided the employee is concurrently eligible and subject to the total amount of leave available under section 268B.04, subdivision 5. Subject to the limitations of section 268B.09, subdivision 1 subdivisions 6 and 7, an employee is entitled to the employment protections under section 268B.09 for those workdays during which this option is exercised. This subdivision applies to private plans under section 268B.10.
- (b) An employer may offer supplemental benefit payments, as defined in section 268B.01, subdivision 41, to an employee taking leave under this chapter. The choice to receive supplemental benefits lies with the employee. Nothing in this section shall be construed as requiring an employee to receive or an employer to provide supplemental benefits payments. The total amount of paid benefits under this chapter and the supplemental benefits paid must not exceed the employee's usual salary.
- (c) An employer may provide an employee with wage replacement during an absence. If the total amount of paid benefits under this chapter and the supplemental benefits paid exceed the employee's usual salary, the employee must refund the excess to either the employer or the paid leave division.
- (d) If an employer provides wage replacement to an employee for weeks that should be paid by the division, the department may reimburse the employer directly for those weeks.

### **EFFECTIVE DATE.** This section is effective November 1, 2025.

- Sec. 19. Minnesota Statutes 2023 Supplement, section 268B.06, is amended by adding a subdivision to read:
- Subd. 7a. **Disability insurance offset.** An employee may receive disability insurance payments in addition to family and medical leave benefits provided the employee is concurrently eligible for both benefits. Disability insurance benefits may be offset by family and medical leave benefits paid to the employee pursuant to the terms of a disability insurance policy.

## **EFFECTIVE DATE.** This section is effective November 1, 2025.

Sec. 20. Minnesota Statutes 2023 Supplement, section 268B.07, subdivision 1, is amended to read:

Subdivision 1. **Employer notification.** (a) Upon a determination that an applicant is entitled to benefits, the commissioner must promptly send a notification to each current employer the employer or employers of the applicant from which the applicant is taking leave, if any, in accordance with paragraph (b).

- (b) The notification under paragraph (a) must include, at a minimum:
- (1) the name of the applicant;
- (2) that the applicant has applied for and received benefits;
- (3) the week the benefits commence;
- (4) the weekly benefit amount payable; and
- (5) the maximum duration of benefits.

(c) The commissioner may adopt rules regarding additional information that may be requested from an applicant and notifications provided to an employer as part of the application and eligibility determination process for benefits.

## **EFFECTIVE DATE.** This section is effective November 1, 2025.

- Sec. 21. Minnesota Statutes 2023 Supplement, section 268B.07, subdivision 2, is amended to read:
- Subd. 2. **Determination.** (a) The commissioner must determine any issue of ineligibility raised by information required from an applicant and send to the applicant and any current base period employer <u>from which the applicant applied to take leave</u>, by mail or electronic transmission, a <u>document titled</u> a determination of eligibility or a determination of ineligibility, as is appropriate, within two weeks, unless the application is incomplete due to outstanding requests for information including clerical or other errors. Nothing prohibits the commissioner from requesting additional information or the applicant from supplementing their initial application before a determination of eligibility. The commissioner may extend the deadline for a determination under this subdivision due to extenuating circumstances.
- (b) The commissioner shall set requirements for an applicant to respond to a request for information. If the required information is not provided in the timeline provided in paragraph (a), the application is denied.
- (c) The commissioner shall prescribe requirements for when an incomplete application is closed. Applicants shall have the ability to reopen closed claims in a manner and form prescribed by the commissioner.
- (b) (d) If an applicant obtained benefits through misrepresentation, the department is authorized to issue a determination of ineligibility within 12 months of the establishment of the benefit account effective date of leave.
- (e) (e) If the department has filed an intervention in a worker's workers' compensation matter under section 176.361, the department is authorized to issue a determination of ineligibility within 48 months of the establishment of the benefit account effective date of leave.
- (d) A determination of eligibility or determination of ineligibility is final unless an appeal is filed by the applicant within 60 calendar days after sending. (f) The determination must contain a prominent statement indicating the consequences of not appealing. Proceedings on the appeal are conducted in accordance with section 268B.08.
- (e) (g) An issue of ineligibility required to be determined under this section includes any question regarding the denial or allowing of benefits under this chapter.

### **EFFECTIVE DATE.** This section is effective November 1, 2025.

- Sec. 22. Minnesota Statutes 2023 Supplement, section 268B.07, subdivision 3, is amended to read:
- Subd. 3. **Amended determination.** Unless an appeal has been filed, the commissioner, on the commissioner's own motion, may reconsider a determination of eligibility or determination of ineligibility that has not become final and issue an amended determination. Any amended determination must be sent to the applicant and any employer in the current base period <u>from which the applicant applied for leave</u> by mail or electronic transmission. <del>Any amended determination is final unless an appeal is filed by the applicant within 60 calendar days after sending.</del>

## **EFFECTIVE DATE.** This section is effective November 1, 2025.

### Sec. 23. [268B.081] APPEALS.

- Subdivision 1. Appeal filing. (a) The commissioner may allow an appeal to be filed by electronic transmission. The commissioner may restrict the manner and format under which an appeal by electronic transmission may be filed. The notification of the determination or decision that is subject to appeal must clearly state the manner in which the determination or decision may be appealed. Subject to paragraph (b), this paragraph applies to requests for reconsideration under subdivision 6.
- (b) Except as provided in paragraph (c), the commissioner must allow an applicant to file an appeal by mail even if an appeal by electronic transmission is allowed. To be considered an appeal, a written statement delivered or mailed to the department must identify:
  - (1) the determination or decision that the applicant disagrees with; and
  - (2) the reason the applicant disagrees with the determination or decision.
- (c) If an agent files an appeal on behalf of an employer, the commissioner may require the appeal to be filed online. If the commissioner requires the appeal to be filed online, the appeal must be filed through the electronic address provided on the determination being appealed and use of another method of filing does not constitute an appeal. This paragraph does not apply to:
  - (1) an employee filing an appeal on behalf of an employer; or
  - (2) an attorney licensed to practice law who is directly representing the employer on appeal.
- (d) All information requested by the department when the appeal is filed must be supplied or the communication does not constitute an appeal.
- (e) If no appeal is filed by the deadlines listed in subdivision 2, the determination or decision is conclusive and final, unless the appealing party can demonstrate good cause for failing to file in a timely manner. For purposes of this paragraph, "good cause" is a reason that would have prevented a reasonable person acting with due diligence from filing in a timely manner. Unless otherwise specified, deadlines in this section may be extended up to 60 days for good cause.
  - Subd. 2. Appealable issues and deadlines. (a) An applicant may appeal to the department:
- (1) within 30 calendar days after a financial eligibility determination or amended financial eligibility determination sent by mail or electronic transmission by the department under section 268B.04 regarding:
  - (i) whether services performed constitute employment;
  - (ii) whether the employment is covered employment;
  - (iii) whether money paid constitutes wages; or
  - (iv) a denial resulting from the applicant's missing or incomplete documentation;
- (2) within 30 calendar days after an eligibility determination sent by the department related to seasonal employment status under section 268B.06, subdivision 9;

- (3) within 30 calendar days after an eligibility determination sent by the department under section 268B.07 regarding:
  - (i) financial eligibility, calculations of benefit amount, work schedule, and leave balance available; or
  - (ii) a denial resulting from missing or incomplete documentation;
- (4) within 30 calendar days after the denial of a good cause demonstration under subdivision 1, paragraph (e). The deadline for appeals of denials of good cause demonstration may not be extended;
- (5) within 30 calendar days after an applicant receives a decision from an insurer, approved private plan administrator, or employer under section 268B.10, subdivision 6, regarding the results of the administrative review under section 268B.10, subdivision 6, paragraph (b); and
- (6) within 30 calendar days after a determination of overpayment penalty sent by the department under section 268B.185.
  - (b) A base period employer may appeal to the department:
- (1) within 30 calendar days after a denial of an application for seasonal worker status under section 268B.01, subdivision 35;
- (2) within 30 calendar days after a financial eligibility determination or amended financial eligibility determination sent by mail or electronic transmission by the department under section 268B.04 regarding:
  - (i) whether services performed constitute employment;
  - (ii) whether the employment is covered employment; or
  - (iii) whether money paid constitutes wages;
- (3) within 30 calendar days after a denial of an application for substitution of a private plan is sent under section 268B.10;
- (4) within 30 calendar days after a notice of termination of a private plan is sent by the department under section 268B.10, subdivision 16;
- (5) within 30 calendar days after a notice of penalties is sent by the department under section 268B.10, subdivision 17;
- (6) within 30 calendar days after the notice of the determination of the calculation of premiums has been sent by the department under section 268B.14, subdivision 1;
- (7) within 30 calendar days after a determination of denial is sent by the department under section 268B.15, subdivision 7; and
  - (8) within 30 calendar days after a determination of penalty is sent by the department under section 268B.19.

- (c) Notwithstanding any provision of this chapter, the commissioner or a hearing officer may, before a determination is made under this chapter, refer any issue of ineligibility, or any other issue under this chapter, directly for hearing in accordance with this section. The status of the issue is the same as if a determination had been made and an appeal filed.
  - (d) The computation of time provisions of sections 645.15 and 645.151 apply to this section.
  - Subd. 3. Notice of hearing. The notice of hearing must include materials that provide:
- (1) a statement that the purpose of the hearing is to take sworn testimony and other evidence on the issues involved, that the hearing is the only procedure available under the law at which a party may present evidence, and that further appeals consist of a review of the evidence submitted at the hearing;
- (2) a statement of the parties' right to represent themselves or to be represented by an attorney or other authorized representative;
  - (3) a brief description of the procedure to be followed to request a continuance of the hearing:
  - (4) a brief description of the procedure to be followed at the hearing, including the role of the hearing officer;
- (5) a statement that the parties should arrange in advance for the participation of witnesses the parties need to support their position;
- (6) a statement that a party may find out the name of the other party's attorney or other authorized representative, names of the witnesses that the other party intends to have testify at the hearing, and an explanation of the process for making the request;
- (7) a statement that subpoenas may be available to compel the participation of witnesses or the production of documents and an explanation of the process for requesting a subpoena;
- (8) a statement that documents contained in the department's records and documents submitted by the parties that will be introduced at the hearing as possible exhibits will be sent to the parties in advance of the hearing;
- (9) a statement that even if the applicant already received benefits, the applicant should participate in the hearing, because if the applicant is held ineligible, the applicant is not eligible to receive further benefits and will have to pay back the benefits already received;
- (10) a statement that the hearing officer will determine the facts based upon a preponderance of the evidence along with the statutory definition of "preponderance of the evidence"; and
- (11) a statement that a party who fails to participate in the hearing will not be allowed a rehearing unless the party can show good cause for failing to participate, along with the statutory definition of "good cause."
- Subd. 4. Hearing. (a) Upon a timely appeal to a determination having been filed or upon a referral for direct hearing, the department must set a time and date for a de novo due process hearing and send notice to an applicant and an employer, by mail or electronic transmission, not less than ten calendar days before the date of the hearing.
- (b) The commissioner may adopt rules on procedures for hearings. The rules need not conform to common law or statutory rules of evidence and other technical rules of procedure.
  - (c) The department has discretion regarding the method by which the hearing is conducted.

- (d) The department may conduct a joint hearing with the unemployment insurance division if the substance of the appeal pertains to both programs.
- (e) The department must assign a hearing officer to conduct a hearing and may transfer to another hearing officer any proceedings pending before another hearing officer.
- (f) The department has discretion regarding the method by which the hearing is conducted. The hearing must be conducted by a hearing officer as an evidence-gathering inquiry, without regard to a burden of proof. The order of presentation of evidence is determined by the hearing officer.
- (g) Each party may present and examine witnesses and offer their own documents or other exhibits. Parties have the right to examine witnesses, object to exhibits and testimony, and cross-examine the other party's witnesses. The hearing officer must assist all parties in the presentation of evidence. The hearing officer must rule upon evidentiary objections on the record. The hearing officer must permit rebuttal testimony. Parties have the right to make closing statements. Closing statements may include comments based upon the evidence and arguments of law. The hearing officer may limit repetitious testimony and arguments.
- (h) The hearing officer must exercise control over the hearing procedure in a manner that protects the parties' rights to a fair hearing, including the sequestration of witnesses to avoid prejudice or collusion. The hearing officer must ensure that all relevant facts are clearly and fully developed. The hearing officer may obtain testimony and other evidence from department employees and any other person the hearing officer believes will assist in reaching a proper result.
  - (i) Before taking testimony, the hearing officer must inform the parties:
  - (1) that the purpose of the hearing is to take testimony and other evidence on the issues;
- (2) that the hearing is the only opportunity available to the parties to present testimony and other evidence on the issues involved;
- (3) of an explanation of how the hearing will be conducted, including the role and obligations of the hearing officer;
- (4) that the parties have the right to request that the hearing be continued so that additional witnesses and documents can be presented, by subpoena if necessary;
- (5) that the facts will be determined upon a preponderance of the evidence, along with the statutory definition of "preponderance of the evidence";
  - (6) of the statutory provision on burden of proof;
- (7) that certain government agencies may have access to the information provided at the hearing if allowed by statute and that the information provided may be disclosed under a district court order; and
- (8) that after the hearing is over, the hearing officer will issue a written decision, which will be sent to the parties by mail or electronic transmission.
- Subd. 5. **Decision.** (a) After the conclusion of the hearing, upon the evidence obtained, the hearing officer must serve by mail or electronic transmission to all parties the decision, reasons for the decision, and written findings of fact. The hearing officer's decision is final unless a request for reconsideration is filed under subdivision 6.

- (b) If the appellant fails to participate in the hearing, the hearing officer has the discretion to dismiss the appeal by summary decision. By failing to participate, the appellant is considered to have failed to exhaust available administrative remedies unless the appellant files a request for reconsideration under subdivision 6 and establishes good cause for failing to participate in the hearing. Submission of a written statement does not constitute participation. The appellant must participate personally or through an authorized representative.
- (c) The hearing officer must issue a decision dismissing the appeal as untimely if the judge decides the appeal was not filed in accordance with the deadlines under subdivision 2 after sending the determination. The hearing officer may dismiss the appeal by summary decision or may conduct a hearing to obtain evidence on the timeliness of the appeal.
  - (d) Decisions of a hearing officer are not precedential.
- Subd. 6. Request for reconsideration. (a) Any party, or the commissioner, may, within 30 calendar days after service of the hearing officer's decision, file a request for reconsideration asking the hearing officer to reconsider that decision. Upon the filing of a request for reconsideration, the division must send a notice by mail or electronic transmission to the appellant that a request for reconsideration has been filed. The notice must inform the appellant:
- (1) that reconsideration is the procedure for the hearing officer to correct any factual or legal mistake in the decision or to order an additional hearing when appropriate;
- (2) of the opportunity to provide comment on the request for reconsideration and the right to obtain a copy of any recorded testimony and exhibits offered or received into evidence at the hearing;
- (3) that providing specific comments as to a perceived factual or legal mistake in the decision, or a perceived mistake in procedure during the hearing, will assist the hearing officer in deciding the request for reconsideration;
- (4) of the right to obtain any comments and submissions provided by any other party regarding the request for reconsideration; and
  - (5) of the provisions of paragraph (c) regarding additional evidence.

This paragraph does not apply if paragraph (d) is applicable. Sending the notice does not mean the hearing officer has decided the request for reconsideration was timely filed.

- (b) In deciding a request for reconsideration, the hearing officer must not consider evidence that was not submitted at the hearing, except for purposes of determining whether to order an additional hearing. The hearing officer must order an additional hearing if a party shows that evidence which was not submitted at the hearing:
- (1) would likely change the outcome of the decision and there was good cause for not having previously submitted that evidence; or
- (2) would show that the evidence that was submitted at the hearing was likely false and that the likely false evidence had an effect on the outcome of the decision.

For purposes of this paragraph, "good cause" is a reason that would have prevented a reasonable person acting with due diligence from submitting the evidence.

(c) If the appellant failed to participate in the hearing, the hearing officer must issue an order setting aside the decision and ordering an additional hearing if the party who failed to participate had good cause for failing to do so. The appellant who failed to participate in the hearing must be informed of the requirement to show good cause for

failing to participate. If the hearing officer determines that good cause for failure to participate has not been shown, the judge must state that determination in the decision issued under paragraph (f). Submission of a written statement at the hearing does not constitute participation for purposes of this paragraph. "Good cause" for purposes of this paragraph is a reason that would have prevented a reasonable person acting with due diligence from participating in the hearing.

- (d) A request for reconsideration must be decided by the hearing officer who issued the decision under subdivision 5 unless that hearing officer:
  - (1) is no longer employed by the department as a hearing officer;
  - (2) is on an extended or indefinite leave; or
  - (3) has been removed from the proceedings by the department.
  - (e) If a request for reconsideration is timely filed, the hearing officer must issue:
  - (1) a decision affirming the findings of fact, reasons for the decision, and a decision issued under subdivision 5:
  - (2) a decision modifying the findings of fact, reasons for the decision, and a decision issued under subdivision 5; or
- (3) an order setting aside the findings of fact, reasons for the decision, and a decision issued under subdivision 5 and ordering an additional hearing.
- (f) The hearing officer must issue a decision dismissing the request for reconsideration as untimely if the judge decides the request for reconsideration was not filed within 30 calendar days after sending the decision under subdivision 5.
- (g) The hearing officer must send to all parties by mail or electronic transmission the decision or order issued under this subdivision. A decision affirming or modifying the previously issued findings of fact, reasons for the decision, and a decision issued under subdivision 5, or a decision dismissing the request for reconsideration as untimely, is the final decision on the matter and is binding on the parties unless judicial review is sought under subdivision 9.
- Subd. 7. Withdrawal of an appeal. (a) An appeal that is pending before a hearing officer may be withdrawn by the appealing party, or an authorized representative of that party, by filing a notice of withdrawal. A notice of withdrawal may be filed by mail or by electronic transmission.
- (b) The appeal must, by order, be dismissed if a notice of withdrawal is filed, unless a hearing officer directs that further proceedings are required. An order of dismissal issued because of a notice of withdrawal is not subject to reconsideration or appeal.
- (c) A party may file a new appeal after the order of dismissal, but the original deadline period for appeal begins from the date of issuance of the determination, and that period is not suspended or restarted by the notice of withdrawal and order of dismissal. The new appeal may only be filed by mail or facsimile transmission.
  - (d) For purposes of this subdivision, "appeals" includes a request for reconsideration filed under subdivision 6.
- <u>Subd. 8.</u> <u>Effect of decisions.</u> (a) If a hearing officer's decision allows benefits to an applicant, the benefits must be paid regardless of any request for reconsideration or petition to the Minnesota Court of Appeals.

- (b) If a hearing officer's decision modifies or reverses a determination that allowed benefits to be paid, or on reconsideration the decision modifies or reverses a prior decision that allowed benefits to be paid, any benefits paid are an overpayment of those benefits. A decision that results in an overpayment of benefits must set out the amount of the overpayment and the requirement under section 268B.185, subdivision 1, that the benefits must be repaid.
- (c) If a hearing officer, on reconsideration under subdivision 6, orders the taking of additional evidence, the hearing officer's prior decision must continue to be enforced until new findings of fact and decision are made by the hearing officer.
- Subd. 9. Use of evidence; data privacy. (a) All testimony at a hearing must be recorded. A copy of recorded testimony and exhibits offered or received into evidence at the hearing must, upon request, be furnished to a party at no cost:
  - (1) during the time period for filing a request for reconsideration;
  - (2) while a request for reconsideration is pending;
  - (3) during the time for filing a petition under subdivision 12; or
  - (4) while a petition is pending.

Regardless of any law to the contrary, recorded testimony and other evidence may later be made available only under a district court order. A subpoena is not considered a district court order.

- (b) Testimony obtained at a hearing must not be used or considered for any purpose, including impeachment, in any civil, administrative, or contractual proceeding, except by a local, state, or federal human rights agency with enforcement powers, unless the proceeding is initiated by the department. This paragraph does not apply to criminal proceedings.
- Subd. 10. No collateral estoppel. No findings of fact, decision, or order issued by a hearing officer may be held conclusive or binding or used as evidence in any separate or subsequent action in any other forum, be it contractual, administrative, or judicial, except proceedings provided for under this chapter, regardless of whether the action involves the same or related parties or involves the same facts.
- Subd. 11. **Representation; fees.** (a) In any proceeding under subdivision 4 or 6, an applicant or employer may be self-represented or represented by an attorney or an authorized representative. Except for services provided by a licensed attorney, no person may charge an applicant a fee of any kind for advising, assisting, or representing an applicant in a hearing, on reconsideration, or in a proceeding under subdivision 12.
- (b) A hearing officer may refuse to allow a person to represent others in a hearing if that person acts in an unethical manner or repeatedly fails to follow the instructions of the hearing officer.
- (c) An applicant may not be charged fees, costs, or disbursements of any kind in a proceeding before a hearing officer, the Minnesota Court of Appeals, or the Supreme Court of Minnesota.
- (d) No attorney fees may be awarded, or costs or disbursements assessed, against the department as a result of any proceedings under this section.
- Subd. 12. Appeal to court of appeals. (a) Any final determination on a request for reconsideration may be appealed by any party directly to the Minnesota Court of Appeals. The Minnesota Court of Appeals must, by writ of certiorari to the department, review the hearing officer's decision on reconsideration, provided a petition for the writ

is filed with the court and a copy is served upon the hearing officer or the commissioner and any other party within 30 calendar days of the sending of the hearing officer's decision on reconsideration under subdivision 6. Three days are added to the 30-calendar-day period if the decision on reconsideration was mailed to the parties.

- (b) Any employer petitioning for a writ of certiorari must pay to the court the required filing fee in accordance with the Rules of Civil Appellate Procedure. If the employer requests a written transcript of the testimony received at the hearing conducted under this section, the employer must pay to the department the cost of preparing the transcript. That money is credited to the administration account.
- (c) Upon issuance by the Minnesota Court of Appeals of a writ of certiorari as a result of an applicant's petition, the department must furnish to the applicant at no cost a written transcript of any testimony received at the hearing conducted under this section and, if requested, a copy of all exhibits entered into evidence. No filing fee or cost bond is required of an applicant petitioning the Minnesota Court of Appeals for a writ of certiorari.
- (d) The Minnesota Court of Appeals may affirm the decision of the hearing officer or remand the case for further proceedings, or it may reverse or modify the decision if the substantial rights of the petitioner may have been prejudiced because the findings, inferences, conclusion, or decision are:
  - (1) in violation of constitutional provisions;
  - (2) in excess of the statutory authority or jurisdiction of the department;
  - (3) made upon unlawful procedure;
  - (4) affected by other error of law;
  - (5) unsupported by substantial evidence in view of the hearing record as submitted; or
  - (6) arbitrary or capricious.
- (e) The department is the primary responding party to any judicial action involving a hearing officer's decision. The department may be represented by an attorney licensed to practice law in Minnesota.
- Subd. 13. **Rescheduling and continuances.** (a) Requests to reschedule a hearing must be addressed in a manner and form prescribed by the commissioner in advance of the regularly scheduled hearing date. A hearing must be rescheduled based on a party's good cause need for additional time to obtain necessary evidence or to obtain representation or adequately prepare, inability to participate due to illness, or other compelling reasons beyond the control of the party that prevent participation at the originally scheduled time. A hearing may be rescheduled only once by each party except in the case of an emergency. If requested, a written statement by mail or electronic transmission confirming the reasons for requesting that the case be rescheduled must be provided to the department.
  - (b) The ten-calendar-day notice requirement for hearings does not apply to rescheduled hearings.
- (c) If a request for rescheduling is made because of the unavailability of a witness or the need to obtain documents, the hearing officer may direct that the hearing take place as scheduled. After obtaining the testimony and other evidence then available, the hearing officer must determine whether the hearing should be continued to obtain the testimony of the unavailable witness or the unavailable documents. The ten-calendar-day notice requirement for hearings does not apply to continued hearings. The hearing officer has the discretion to continue a hearing if the hearing officer determines that additional evidence is necessary for a proper result.

- Subd. 14. Consolidation of parties, issues, and new issues. Upon the request of a party or on the hearing officer's motion, the hearing officer may consolidate for hearing issues involving one or more of the same parties. The hearing officer may take testimony and render a decision on issues not listed on the notice of hearing if each party is notified on the record, is advised of the right to object, and does not object. If a party objects, the hearing officer must:
  - (1) continue the hearing to allow the party to prepare for consideration of the issue; or
- (2) direct the department to address the issue and send to the parties a determination by mail or electronic transmission.
- Subd. 15. **Interpreters.** (a) The department must provide an interpreter, when necessary, upon the request of a party. The requesting party must notify the department at least five calendar days before the date of the hearing that an interpreter is required. The hearing officer must continue any hearing where a witness or party needs an interpreter to be understood or to understand the proceedings.
- (b) A written statement in the five most common languages spoken in Minnesota must accompany all notices and written materials sent to the parties stating that the accompanying documents are important and that if the reader does not understand the documents the reader should seek immediate assistance.
- Subd. 16. Exhibits in hearings. (a) Upon receipt of the notice of hearing, and no later than five calendar days before the scheduled date of hearing, parties may submit to the department, by electronic transmission or mail, any documents a party would like to offer as exhibits at the hearing. Copies of the documents submitted by the parties, as well as all documents that are contained in the department's records that will be introduced as exhibits, must be mailed, or sent by electronic transmission, to all parties or the parties' authorized representatives by the department in advance of the hearing.
- (b) If a party requests to introduce additional documents during the hearing, and the hearing officer rules that the documents should be considered, the requesting party must provide copies of the documents to the hearing officer and the other party. The record must be left open for sufficient time for the submission of a written response to the documents. The response may be sent by mail or electronic transmission. The hearing officer may, when appropriate, reconvene the hearing to obtain a response or permit cross-examination regarding the late filed exhibits.
- Subd. 17. Access to data. The parties to a hearing must be allowed reasonable access to department data necessary to represent themselves in the hearing. Access to data must be consistent with all laws relating to data practices. The data must be provided by the department at no cost and mailed or sent by electronic transmission to the party or the party's authorized representative.
- Subd. 18. Subpoenas and discovery. (a) The hearing officer may issue subpoenas to compel the attendance of witnesses, the production of documents, or other exhibits upon a showing of necessity by the requesting party. Requests for issuance of subpoenas must be made to the department, by electronic transmission or mail, sufficiently in advance of the scheduled hearing to allow for the service of the subpoenas. The requesting party must identify the person or documents to be subpoenaed and the subject matter and necessity of the evidence requested. A request for a subpoena may be denied if the testimony or documents sought would be irrelevant, immaterial, or unduly cumulative or repetitious.
- (b) If a request for a subpoena has been denied, the hearing officer must reconsider the request during the hearing and determine whether the request was properly denied. If the hearing officer determines that the request for a subpoena was not properly denied, the hearing officer must continue the hearing to allow for service of and compliance with the subpoena. The hearing officer may issue a subpoena even if a party has not requested one.

- (c) Within five calendar days following request by another party, each party must disclose the name of the party's attorney or other authorized representative and the names of all witnesses the party intends to have testify at the hearing. The request and the response may be made by mail or by electronic transmission. Any witnesses unknown at the time of the request must be disclosed as soon as they become known. If a party fails to comply with the disclosure requirements, the hearing officer may, upon notice to the parties, continue the hearing.
- Subd. 19. **Disqualification of hearing officer.** (a) A hearing officer must request to be removed from any case by the department where the hearing officer believes that presiding over the case would create the appearance of impropriety. The department must remove a hearing officer from any case if the hearing officer has a financial or personal interest in the outcome.
- (b) Any party may request the removal of a hearing officer by submitting to the department, by mail or electronic transmission, a written statement of the basis for removal. The department must decide the fitness of the hearing officer to hear the particular case.
- Subd. 20. Public access to hearings and recording of hearings. (a) Hearings are not public. Only parties, the parties' authorized representatives and witnesses, and authorized department personnel are permitted to participate in or listen to hearings. If any other person wishes to listen to or sit in on a hearing, the parties must provide their consent as required by section 13.05, subdivision 4.
- (b) The hearing officer must make a recording of all testimony that is the official record. No other voice recordings or pictures may be made of any party, representative, or witness during the hearing.
- <u>Subd. 21.</u> <u>Administration of oath or affirmation.</u> A hearing officer has authority to administer oaths and affirmations. Before testifying, every witness is required to declare to testify truthfully, by oath or affirmation under sections 358.07 and 358.08.
- Subd. 22. Receipt of evidence. Only evidence received into the record of any hearing may be considered by the hearing officer. The parties may stipulate to the existence of any fact or the authenticity of any exhibit. All competent, relevant, and material evidence, including records and documents in the possession of the parties that are offered into evidence, are part of the hearing record. A hearing officer may receive any evidence that possesses probative value, including hearsay, if it is the type of evidence on which reasonable, prudent persons are accustomed to rely in the conduct of their serious affairs. A hearing officer may exclude any evidence that is irrelevant, immaterial, unreliable, or unduly repetitious. A hearing officer is not bound by statutory and common law rules of evidence. The rules of evidence may be used as a guide in determining the quality of evidence offered. A hearing officer may draw adverse inferences from the refusal of a party or witness to testify on the basis of any privilege. A hearing officer may only use reliable, probative, and substantial evidence as a basis for decision.
- Subd. 23. Official notice. A hearing officer may take official notice of matters of common knowledge and may take notice of facts within the hearing officer's specialized knowledge in the field of paid leave. The hearing officer must state on the record any fact that is judicially noticed. The hearing officer must give the parties an opportunity to contest the noticed facts.

### **EFFECTIVE DATE.** This section is effective November 1, 2025.

- Sec. 24. Minnesota Statutes 2023 Supplement, section 268B.085, subdivision 3, is amended to read:
- Subd. 3. **Intermittent schedule.** (a) Leave under this chapter, based on a serious health condition, may be taken intermittently if such leave is reasonable and appropriate to the needs of the individual with the serious health condition. For all other leaves under this chapter, leave may be taken intermittently. Intermittent leave is leave taken in separate blocks of time due to a single, seven-day qualifying event.

- (b) For an applicant who takes leave on an intermittent schedule, the weekly benefit amount shall be prorated.
- (c) An employee requesting leave taken intermittently shall provide the employer with a schedule of needed workdays off as soon as practicable and must make a reasonable effort to schedule the intermittent leave so as not to disrupt unduly the operations of the employer. If this cannot be done to the satisfaction of both employer and employee, the employer cannot require the employee to change their leave schedule in order to accommodate the employer.
- (d) Notwithstanding the allowance for intermittent leave under this subdivision, an employer shall not be required under this chapter to provide, but may elect to provide, more than 480 hours of intermittent leave in any 12-month period. If an employer limits hours of intermittent leave pursuant to this paragraph, an employee is entitled to take their remaining leave continuously, subject to the total amount of leave available under section 268B.04, subdivision 5. An employer may run intermittent leave available under the Family and Medical Leave Act, United States Code, title 29, sections 2601 to 2654, as amended, concurrent with an employee's entitlement to intermittent leave under this chapter.
  - Sec. 25. Minnesota Statutes 2023 Supplement, section 268B.09, subdivision 1, is amended to read:
- Subdivision 1. **Retaliation prohibited.** (a) An employer must not discharge, discipline, penalize, interfere with, threaten, restrain, coerce, or otherwise retaliate or discriminate against an employee for requesting or obtaining benefits or leave, or for exercising any other right under this chapter.
  - (b) For the purposes of this section, the term "leave" includes but is not limited to:
- (1) leave taken for any day for which the commissioner has determined that the employee has been deemed is eligible for benefits or leave under this chapter; or
- (2) any day for which the employee meets the eligibility criteria under section 268B.06, subdivision 1, clause paragraph (a), clauses (2) or and (3), and or the employee has applied for benefits in good faith under this chapter. For the purposes of this subdivision, "good faith" is defined as anything that is not knowingly false or in reckless disregard of the truth.
- (c) In addition to the remedies provided in subdivision 8, the commissioner of labor and industry may also issue a penalty to the employer of not less than \$1,000 and not more than \$10,000 per violation, payable to the employee aggrieved. In determining the amount of the penalty under this subdivision, the appropriateness of the penalty to the size of the employer's business and the gravity of the violation shall be considered.

## **EFFECTIVE DATE.** This section is effective November 1, 2025.

- Sec. 26. Minnesota Statutes 2023 Supplement, section 268B.09, subdivision 6, is amended to read:
- Subd. 6. **Employee right to reinstatement.** (a) On return from leave under this chapter, an employee is entitled to be returned to the same position the employee held when leave commenced or to an equivalent position with equivalent benefits, pay, and other terms and conditions of employment. Except as provided under subdivision 7, an employee is entitled to reinstatement even if the employee has been replaced or the employee's position has been restructured to accommodate the employee's absence.
- (b)(1) An equivalent position is one that is virtually identical to the employee's former position in terms of pay, benefits, and working conditions, including privileges, prerequisites, and status. It must involve the same or substantially similar duties and responsibilities, which must entail substantially equivalent skill, effort, responsibility, and authority.

- (2) If an employee is no longer qualified for the position because of the employee's inability to attend a necessary course, renew a license, fly a minimum number of hours, or similar condition, as a result of the leave, the employee must be given a reasonable opportunity to fulfill those conditions upon return from leave.
- (c)(1) An employee is entitled to any unconditional pay increases which may have occurred during the leave period, such as cost of living increases. Pay increases conditioned upon seniority, length of service, or work performed must be granted in accordance with the employer's policy or practice, or contract with respect to other employees on an equivalent leave status for a reason that does not qualify for leave under this chapter. An employee is entitled to be restored to a position with the same or equivalent pay premiums, such as a shift differential. If an employee departed from a position averaging ten hours of overtime, and corresponding overtime pay, each week an for which they receive overtime pay, the employee is ordinarily entitled to such a position with overtime pay and overtime hours on return from leave under this chapter. If a pay premium, such as a shift differential, or overtime has been decreased or eliminated for other similarly classified employees, an employee is not entitled to restoration of the pay premium or overtime.
- (2) Equivalent pay includes any bonus or payment, whether it is discretionary or nondiscretionary, made to employees consistent with clause (1). If a bonus or other payment is based on the achievement of a specified goal such as hours worked, products sold, or perfect attendance, and the employee has not met the goal due to leave under this chapter, the payment may be denied, unless otherwise paid to employees on an equivalent leave status for a reason that does not qualify for leave under this chapter.
- (d) Benefits under this section include all benefits provided or made available to employees by an employer, including group life insurance, health insurance, disability insurance, sick leave, annual leave, educational benefits, and pensions, regardless of whether benefits are provided by a practice or written policy of an employer through an employee benefit plan as defined in section 3(3) of United States Code, title 29, section 1002(3).
- (1) At the end of an employee's leave under this chapter, benefits must be resumed in the same manner and at the same levels as provided when the leave began, and subject to any changes in benefit levels that may have taken place during the period of leave affecting the entire workforce, unless otherwise elected by the employee. Upon return from a leave under this chapter, an employee must not be required to requalify for any benefits the employee enjoyed before leave began, including family or dependent coverages.
- (2) An employee may, but is not entitled to, accrue any additional benefits or seniority during a leave under this chapter. Benefits accrued at the time leave began must be available to an employee upon return from leave.
- (3) With respect to pension and other retirement plans, leave under this chapter must not be treated as or counted toward a break in service for purposes of vesting and eligibility to participate. If the plan requires an employee to be employed on a specific date in order to be credited with a year of service for vesting, contributions, or participation purposes, an employee on leave under this chapter must be treated as employed on that date. Periods of leave under this chapter need not be treated as credited service for purposes of benefit accrual, vesting, and eligibility to participate.
- (4) Employees on leave under this chapter must be treated as if they continued to work for purposes of changes to benefit plans. Employees on leave under this chapter are entitled to changes in benefit plans, except those which may be dependent upon seniority or accrual during the leave period, immediately upon return from leave or to the same extent they would have qualified if no leave had been taken.
- (e) An equivalent position must have substantially similar duties, conditions, responsibilities, privileges, and status as the employee's original position.

- (1) The employee must be reinstated to the same or a geographically proximate worksite from where the employee had previously been employed. If the employee's original worksite has been closed, the employee is entitled to the same rights as if the employee had not been on leave when the worksite closed.
  - (2) The employee is ordinarily entitled to return to the same shift or the same or an equivalent work schedule.
- (3) The employee must have the same or an equivalent opportunity for bonuses, profit-sharing, and other similar discretionary and nondiscretionary payments, excluding any bonus paid to another employee or employees for covering the work of the employee while the employee was on leave.
- (4) This chapter does not prohibit an employer from accommodating an employee's request to be restored to a different shift, schedule, or position which better suits the employee's personal needs on return from leave, or to offer a promotion to a better position. However, an employee must not be induced by the employer to accept a different position against the employee's wishes.
- (f) The requirement that an employee be restored to the same or equivalent job with the same or equivalent pay, benefits, and terms and conditions of employment does not extend to de minimis, intangible, or unmeasurable aspects of the job.
- (g) Nothing in this section shall be deemed to affect the Americans with Disabilities Act, United States Code, title 42, chapter 126.
- (h) Ninety calendar days from the date of hire, an employee has a right and is entitled to reinstatement as provided under this subdivision for any day for which:
  - (1) the employee has been deemed eligible for benefits under this chapter; or
- (2) the employee meets the eligibility criteria under section 268B.06, subdivision 1, elause paragraph (a), clauses (2) or and (3), and or the employee has applied for benefits in good faith under this chapter. For the purposes of this paragraph, good faith is defined as anything that is not knowingly false or in reckless disregard of the truth.
- (i) This subdivision and subdivision 7 may be waived for employees who are working in the construction industry under a bona fide collective bargaining agreement with a construction trade union that maintains a referral-to-work procedure for employees to obtain employment with multiple signatory employers, but only if the waiver is set forth in clear and unambiguous terms in the collective bargaining agreement and explicitly cites this subdivision and subdivision 7.

- Sec. 27. Minnesota Statutes 2023 Supplement, section 268B.09, subdivision 7, is amended to read:
- Subd. 7. **Limitations on an employee's right to reinstatement.** An employee has no greater right to reinstatement or to other benefits and conditions of employment than if the employee had been continuously employed during the period of leave under this chapter. An employer must be able to show that an employee would not otherwise have been employed at the time reinstatement is requested in order to deny restoration to employment.
- (1) If an employee is laid off during the course of taking a leave under this chapter and employment is terminated, the employer's responsibility to continue the leave, maintain group health plan benefits, and restore the employee cease at the time the employee is laid off, provided the employer has no continuing obligations under a

collective bargaining agreement or otherwise. An employer has the burden of proving that an employee would have been laid off during the period of leave under this chapter and, therefore, would not be entitled to restoration to a job slated for layoff when the employee's original position would not meet the requirements of an equivalent position.

- (2) If a shift has been eliminated or overtime has been decreased, an employee would not be entitled to return to work that shift or the original overtime hours upon restoration. However, if a position on, for example, a night shift has been filled by another employee, the employee is entitled to return to the same shift on which employed before taking leave under this chapter.
- (3) If an employee was hired for a specific term or only to perform work on a discrete project, the employer has no obligation to <u>maintain group health plan benefits and</u> restore the employee if the employment term or project is over and the employer would not otherwise have continued to employ the employee.

#### **EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 28. Minnesota Statutes 2023 Supplement, section 268B.10, subdivision 1, is amended to read:

- Subdivision 1. **Application for substitution.** (a) Employers may apply to the commissioner for approval to meet their obligations under this chapter through the substitution of a private plan that provides paid family, paid medical, or paid family and medical benefits. In order to be approved as meeting an employer's obligations under this chapter, a private plan must confer all of the same rights, protections, and benefits provided to employees under this chapter, including but not limited to benefits under section 268B.04 and employment protections under section 268B.09. Employers may apply for approval of private plans that exceed the benefits provided to employees under this chapter. An employee covered by a private plan under this section retains all applicable rights and remedies under section 268B.09.
- (b) An insurer must file every form, application, rider, endorsement, and rate used in connection with an insurance product that provides coverage for paid family and medical leave benefits as described in this section with the commissioner at least 60 days prior to the form or rate's effective date. The commissioner may extend this filing review period for an additional period not to exceed 60 days. If any form, rate, or amendment is not disapproved by the commissioner within the filing review period, the insurer may implement it. If the commissioner notifies an insurer that has filed any form or rate that the form or rate does not comply with this section, section 62A.02, or chapter 72A, it is unlawful for the insurer to issue or use the form or rate. In the notice, the commissioner shall specify the reasons for disapproval.
- (c) Any insurer authorized to write accident and sickness insurance in Minnesota has the power to issue an insurance product that provides coverage for paid family and medical leave benefits as described in this section.

- Sec. 29. Minnesota Statutes 2023 Supplement, section 268B.10, subdivision 2, is amended to read:
- Subd. 2. **Private plan requirements; medical benefit program.** The commissioner, in consultation with the commissioner of commerce, must approve an application for private provision of the medical benefit program if the commissioner determines:
  - (1) all of the employees of the employer are to be covered under the provisions of the employer plan;
  - (2) eligibility requirements for benefits and leave are no more restrictive than as provided under this chapter;

- (3) the weekly benefits payable under the private plan for any week are at least equal to the weekly benefit amount payable under this chapter;
- (4) the total number of weeks for which benefits are payable under the private plan is at least equal to the total number of weeks for which benefits would have been payable under this chapter;
- (5) no greater amount is required to be paid by employees toward the cost of benefits under the employer plan than by this chapter;
  - (6) wage replacement benefits are stated in the plan separately and distinctly from other benefits;
- (7) the private plan will provide benefits and leave for any serious health condition or medical care related to pregnancy for which benefits are payable, and leave provided, under this chapter;
- (8) the private plan will impose no additional condition or restriction on the use of medical benefits beyond those explicitly authorized by this chapter or regulations promulgated pursuant to this chapter;
- (9) the private plan will allow any employee covered under the private plan who is eligible to receive medical benefits under this chapter to receive medical benefits under the employer plan; and
- (10) coverage will continue under the private plan while an employee remains employed by the employer. <u>For former employees</u>, coverage for the purposes of benefits applies until the individual is hired by a new employer or 26 weeks pass, whichever occurs first; and
- (11) if an application for leave is filed by a former employee to a private plan, the plan pays benefits for the totality of the leave. Private plans may not cut off eligibility for a former employee during the course of an approved leave.

- Sec. 30. Minnesota Statutes 2023 Supplement, section 268B.10, subdivision 3, is amended to read:
- Subd. 3. **Private plan requirements; family benefit program.** The commissioner, in consultation with the commissioner of commerce, must approve an application for private provision of the family benefit program if the commissioner determines:
  - (1) all of the employees of the employer are to be covered under the provisions of the employer plan;
  - (2) eligibility requirements for benefits and leave are no more restrictive than as provided under this chapter;
- (3) the weekly benefits payable under the private plan for any week are at least equal to the weekly benefit amount payable under this chapter;
- (4) the total number of weeks for which benefits are payable under the private plan is at least equal to the total number of weeks for which benefits would have been payable under this chapter;
- (5) no greater amount is required to be paid by employees toward the cost of benefits under the employer plan than by this chapter;
  - (6) wage replacement benefits are stated in the plan separately and distinctly from other benefits;

- (7) the private plan will provide benefits and leave for any care for a family member with a serious health condition, bonding with a child, qualifying exigency, or safety leave event for which benefits are payable, and leave provided, under this chapter;
- (8) the private plan will impose no additional condition or restriction on the use of family benefits beyond those explicitly authorized by this chapter or regulations promulgated pursuant to this chapter;
- (9) the private plan will allow any employee covered under the private plan who is eligible to receive family benefits under this chapter to receive family benefits under the employer plan; and
- (10) coverage will continue under the private plan while an employee remains employed by the employer. <u>For former employees</u>, coverage for the purposes of benefits applies until the individual is hired by a new employer or 26 weeks pass, whichever occurs first; and
- (11) if an application for leave is filed by a former employee to a private plan, the private plan is required to pay benefits for the totality of the leave. Private plans must not discontinue eligibility for a former employee during the course of an approved leave.

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

- Sec. 31. Minnesota Statutes 2023 Supplement, section 268B.10, subdivision 6, is amended to read:
- Subd. 6. **Private plan requirements; weekly benefit determination.** (a) For purposes of determining the family and medical benefit amount and duration under a private plan, the weekly benefit amount and duration shall be based on the employee's typical work week and wages earned with the employer at the time of an application for benefits. If an employer does not have complete base period wage detail information, the employer may accept an employee's certification of wage credits, based on the employee's records.
- (b) In the event that an employee's request for benefits is denied, in whole or in part, or the amount of the benefits is contested, the employee has the right to request administrative review of a decision by the private plan within 30 calendar days. If the private plan maintains the denial, the employee may appeal to the department as permitted in section 268B.08.

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

- Sec. 32. Minnesota Statutes 2023 Supplement, section 268B.10, is amended by adding a subdivision to read:
- Subd. 9a. Plan changes during approved leave. If an employee is using approved leave under this chapter when their employer changes from the state plan to a private plan, from a private plan to the state plan, or from one private plan to another private plan, the plan under which the employee was covered when their benefits were approved is required to continue paying benefits for continuous, intermittent, and reduced schedule leave through the duration previously approved. If the employee requests an extension of their original leave, or recertification is required, the employee may reapply for benefits with their new plan.

- Sec. 33. Minnesota Statutes 2023 Supplement, section 268B.10, subdivision 12, is amended to read:
- Subd. 12. **Employees no longer covered.** (a) An employee is no longer covered by an approved private plan if a leave under this chapter occurs after the employment relationship with the private plan employer ends, or if the commissioner revokes the approval of the private plan.

(b) An employee no longer covered by an approved private plan is, if otherwise eligible, immediately entitled to benefits under this chapter to the same extent as though there had been no approval of the private plan.

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

- Sec. 34. Minnesota Statutes 2023 Supplement, section 268B.10, is amended by adding a subdivision to read:
- <u>Subd. 12a.</u> <u>Former employees and benefit applications.</u> <u>Covered individuals that have been separated from</u> an employer with a private plan for less than 26 weeks shall file applications for benefits as follows:
- (1) if the former employee remains unemployed on the date that an application for benefits is filed, the former employee shall submit an application for benefits with the private plan of their former employer; and
- (2) if the former employee has become employed by a different employer at the time that an application for benefits is filed, the former employee shall submit an application for benefits based on the new employer's coverage. If the new employer is covered under the state plan, the former employee shall submit the application to the state. If the new employer has an approved private plan, the covered individual shall submit the application for benefits to the private plan in accordance with the requirements established by their employer.

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

- Sec. 35. Minnesota Statutes 2023 Supplement, section 268B.10, subdivision 16, is amended to read:
- Subd. 16. **Revocation of approval by commissioner.** (a) The commissioner may terminate any private plan if the commissioner determines the employer or agents of the employer:
  - (1) failed to pay benefits;
  - (2) failed to pay benefits in a timely manner, consistent with the requirements of this chapter;
  - (3) failed to submit reports as required by this chapter or rule adopted under this chapter; or
  - (4) otherwise failed to comply with this chapter or rule adopted under this chapter.
- (b) The commissioner must give notice of the intention to terminate a plan to the employer at least ten days before taking any final action. The notice must state the effective date and the reason for the termination.
- (c) The employer may, within ten days from mailing or personal service of the notice, file an appeal to the commissioner in the time, manner, method, and procedure provided by the commissioner under subdivision 11.
- (d) (c) The payment of benefits must not be delayed during an employer's appeal of the revocation of approval of a private plan.
- (e) (d) If the commissioner revokes approval of an employer's private plan, that employer is ineligible to apply for approval of another private plan for a period of three years, beginning on the date of revocation.

- Sec. 36. Minnesota Statutes 2023 Supplement, section 268B.10, subdivision 17, is amended to read:
- Subd. 17. **Employer penalties.** (a) The commissioner may assess the following monetary penalties against an employer with an approved private plan found to have violated this chapter:
  - (1) \$1,000 for the first violation; and
  - (2) \$2,000 for the second, and each successive violation.
- (b) The commissioner must waive collection of any penalty if the employer corrects the violation within 30 days of receiving a notice of the violation and the notice is for a first violation.
- (c) The commissioner may waive collection of any penalty if the commissioner determines the violation to be an inadvertent error by the employer.
- (d) Monetary penalties collected under this section shall be deposited in the family and medical benefit insurance account.
- (e) Assessment of penalties under this subdivision may be appealed as provided by the commissioner under subdivision 11.

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

- Sec. 37. Minnesota Statutes 2023 Supplement, section 268B.10, is amended by adding a subdivision to read:
- <u>Subd. 21a.</u> <u>Filing obligation.</u> <u>Employers covered under a private plan are subject to the quarterly wage</u> reporting requirements under section 268B.12.

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

- Sec. 38. Minnesota Statutes 2023 Supplement, section 268B.14, subdivision 3, is amended to read:
- Subd. 3. **Employee charge back.** Notwithstanding section 177.24, subdivision 4, or 181.06, subdivision 1, <u>and subject to subdivision 6</u>, employers must pay a minimum of 50 percent of the annual premiums paid under this section. Employees, through a deduction in their wages to the employer, must pay the remaining portion, if any, of the premium not paid by the employer. Such deductions for any given employee must be in equal proportion to the premiums paid based on the wages of that employee. Deductions under this section must not cause an employee's wage, after the deduction, to fall below the rate required to be paid to the <u>worker employee</u> by <u>law, including</u> any applicable statute, regulation, rule, ordinance, <u>or</u> government resolution or policy, <u>or other legal authority</u>, whichever rate of pay is greater.

- Sec. 39. Minnesota Statutes 2023 Supplement, section 268B.14, is amended by adding a subdivision to read:
- <u>Subd. 5a.</u> <u>Small employer premium rate.</u> (a) <u>Small employers are eligible for the premium rates provided by this subdivision if the employer:</u>
  - (1) has 30 or fewer employees pursuant to subdivision 5b; and

- (2) the average wage for that employer as calculated in subdivision 5c is less than or equal to 150 percent of the state's average wage in covered employment for the basis period.
- (b) The premium rate for small employers eligible under this subdivision is 75 percent of the annual premium rate calculated in subdivisions 6 and 7, as follows:
- (1) employers must pay a minimum of 25 percent of the rate calculated in subdivisions 6 and 7. Employers shall not deduct from any employees' pay to fund the employer portion of the premium; and
- (2) employees must pay the remaining portion due under this subdivision, if any, of the premium not paid by the employer. The employer must make wage deductions as necessary under this subdivision to fund the employee portion of the premium.
  - Sec. 40. Minnesota Statutes 2023 Supplement, section 268B.14, is amended by adding a subdivision to read:
  - Subd. 5b. **Employee count.** (a) The basis period for determining premiums under:
  - (1) subdivision 5a;
  - (2) average employer wages under subdivision 5c; and
  - (3) eligibility for small employer assistance grants under section 268B.29

for any tax year shall be the four-quarter period ending September 30 of the prior year.

- (b) For each employer that has been covered for the entirety of the basis period, the maximum number of quarterly wage records reported by the employer during the basis period shall be used to determine premiums under subdivision 5a and eligibility for small employer assistance grants under section 268B.29.
- (c) For any employer not covered for the entirety of the basis period, the number of employees used to determine premiums under subdivision 5a and eligibility for small employer assistance grants under section 268B.29 shall be based on the number of employees working in Minnesota the employer estimates they will employ in the following calendar year.
- (d) If upon a review of the actual number of wage records reported, it is found that a new employer's estimate at time of registration was ten percent or more less than the actual number of records reported, the employer's premiums under subdivision 5a and eligibility for small employer assistance grants under section 268B.29 shall be recalculated based on the wage records reported.
  - Sec. 41. Minnesota Statutes 2023 Supplement, section 268B.14, is amended by adding a subdivision to read:
- Subd. 5c. Average wage for employer. (a) For each employer that has been covered for the entirety of the basis period, the employer's average wage shall be calculated by dividing the maximum amount of covered wages reported by the employer in a single quarterly wage record during the basis period by the maximum number of quarterly wage records reported by the employer during the basis period.
- (b) For any employer not covered for the entirety of the basis period, the employer's average wage shall by calculated by dividing the employer's estimated amount of covered wages in the following tax year by the employer's estimated number of employees working in Minnesota the employer will employ in the following calendar year.

- (c) If upon a review of the actual amount of covered wages reported it is found that a new employer's estimate at time of registration was ten percent or more less than the actual amount of covered wages, the employer's premiums under subdivision 5a and eligibility for small employer assistance grants under section 268B.29 shall be recalculated based on the wage records reported.
  - Sec. 42. Minnesota Statutes 2023 Supplement, section 268B.14, subdivision 7, is amended to read:
- Subd. 7. **Premium rate adjustments.** (a) Beginning January 1, 2027 The commissioner may adjust the annual premium rates pursuant to this section prior to January 1, 2026. By July 31, 2026, and then by July 31 of each year thereafter, the commissioner must adjust the annual premium rates using the formula in paragraph (b) for the following calendar year based on program historical experience and sound actuarial principles and so that the projected fund balance as a percentage of total program expenditure does not fall below 25 percent. The commissioner shall contract with a qualified independent actuarial consultant to conduct an actuarial study for this purpose no less than every year. A copy of the actuarial study must be provided promptly to the chairs and ranking minority members of the legislative committees with jurisdiction over this chapter. The actuarial study must also be filed with the Legislative Reference Library in compliance with section 3.195. A qualified independent actuarial consultant is one who is a Fellow of the Society of Actuaries (FSA) and a Member of the American Academy of Actuaries (MAAA) and who has experience directly relevant to the analysis required. In no year shall the annual premium rate exceed 1.2 percent of taxable wages paid to each employee.
  - (b) To calculate the employer rates for a calendar year, the commissioner must:
- (1) multiply 1.45 times the amount disbursed from the family and medical benefit insurance account for the 52 week period ending September 30 of the prior year;
- (2) subtract the amount in the family and medical benefit insurance account on that September 30 from the resulting figure;
- (3) divide the resulting figure by the total wages in covered employment of employees of employers without approved private plans under section 268B.10 for either the family or medical benefit program. For employers with an approved private plan for either the medical benefit program or the family benefit program, but not both, count only the proportion of wages in covered employment associated with the program for which the employer does not have an approved private plan; and
  - (4) round the resulting figure down to the nearest one hundredth of one percent.
- (c) The commissioner must apportion the premium rate between the family and medical benefit programs based on the relative proportion of expenditures for each program during the preceding year.

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

- Sec. 43. Minnesota Statutes 2023 Supplement, section 268B.15, subdivision 7, is amended to read:
- Subd. 7. **Credit adjustments; refunds.** (a) If an employer makes an application for a credit adjustment of any amount paid under this chapter within four years of the date that the payment was due, in a manner and format prescribed by the commissioner, and the commissioner determines that the payment or any portion thereof was erroneous, the commissioner must make an adjustment and issue a credit without interest. If a credit cannot be used, the commissioner must refund, without interest, the amount erroneously paid. The commissioner, on the commissioner's own motion, may make a credit adjustment or refund under this subdivision.
  - (b) Any refund returned to the commissioner is considered unclaimed property under chapter 345.

- (c) If a credit adjustment or refund is denied in whole or in part, a determination of denial must be sent to the employer by mail or electronic transmission. The determination of denial is final unless an employer files an appeal within 20 calendar days after sending. Proceedings on the appeal are conducted in accordance with section 268B.08:
- (d) If an employer receives a credit adjustment or refund under this section, the employer must determine the amount of any overpayment attributable to a deduction from employee wages under section 268B.14, subdivision 3, and return any amount erroneously deducted to each affected employee.

#### **EFFECTIVE DATE.** This section is effective January 1, 2026.

- Sec. 44. Minnesota Statutes 2023 Supplement, section 268B.155, subdivision 2, is amended to read:
- Subd. 2. **Notice upon application.** In an application for family or medical leave benefits, the applicant must disclose if child support obligations are owed and, if so, in what state and county. If child support obligations are owed, the commissioner must, if the applicant establishes a benefit account leave, notify the child support agency.

## **EFFECTIVE DATE.** This section is effective January 1, 2026.

- Sec. 45. Minnesota Statutes 2023 Supplement, section 268B.185, subdivision 2, is amended to read:
- Subd. 2. **Overpayment because of misrepresentation.** (a) An applicant has committed misrepresentation if the applicant is overpaid benefits by making an intentional false statement or representation in an effort to fraudulently collect benefits. Overpayment because of misrepresentation does not occur where there is an unintentional mistake or a good faith belief as to the eligibility or correctness of the statement or representation.
- (b) After the discovery of facts indicating misrepresentation, the commissioner must issue a determination of overpayment penalty assessing a penalty equal to 15 percent of the amount overpaid.
- (e) Unless the applicant files an appeal within 30 calendar days after the sending of a determination of overpayment penalty to the applicant by mail or electronic transmission, the determination is final. Proceedings on the appeal are conducted in accordance with section 268B.08.
- (d) (c) A determination of overpayment penalty must state the methods of collection the commissioner may use to recover the overpayment, penalty, and interest assessed. Money received in repayment of overpaid benefits, penalties, and interest is first applied to the benefits overpaid, second to the penalty amount due, and third to any interest due.
- (e) (d) The department is authorized to issue a determination of overpayment penalty under this subdivision within 24 months of the establishment of the benefit account leave upon which the benefits were obtained through misrepresentation.

#### **EFFECTIVE DATE.** This section is effective January 1, 2026.

Sec. 46. Minnesota Statutes 2023 Supplement, section 268B.19, is amended to read:

#### 268B.19 EMPLOYER MISCONDUCT; PENALTY.

(a) The commissioner must penalize an employer if that employer or any employee, officer, or agent of that employer is in collusion with any applicant for the purpose of assisting the applicant in receiving benefits fraudulently. The penalty is \$500 or the amount of benefits determined to be overpaid, whichever is greater.

- (b) The commissioner must penalize an employer if that employer or any employee, officer, or agent of that employer:
  - (1) made a false statement or representation knowing it to be false;
- (2) made a false statement or representation without a good-faith belief as to the correctness of the statement or representation; or
  - (3) knowingly failed to disclose a material fact.
  - (c) The penalty is the greater of \$500 or 50 percent of the following resulting from the employer's action:
  - (1) the amount of any overpaid benefits to an applicant;
  - (2) the amount of benefits not paid to an applicant that would otherwise have been paid; or
  - (3) the amount of any payment required from the employer under this chapter that was not paid.
- (d) Penalties must be paid within 30 calendar days of issuance of the determination of penalty and credited to the family and medical benefit insurance account.
- (e) The determination of penalty is final unless the employer files an appeal within 30 calendar days after the sending of the determination of penalty to the employer by United States mail or electronic transmission.

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

Sec. 47. Minnesota Statutes 2023 Supplement, section 268B.26, is amended to read:

#### 268B.26 NOTICE REQUIREMENTS.

- (a) Each employer must post in a conspicuous place on each of its premises a workplace notice prepared by the commissioner providing notice of benefits available under this chapter. The required workplace notice must be in English and each language other than English which is the primary language of five or more employees or independent contractors of that workplace, if such notice is available from the department.
- (b) Each employer must issue to each employee not more than 30 days from the beginning date of the employee's employment, or 30 days before premium collection begins, whichever is later, the following written information provided by the department in the primary language of the employee:
- (1) an explanation of the availability of family and medical leave benefits provided under this chapter, including rights to reinstatement and continuation of health insurance;
  - (2) the amount of premium deductions made by the employer under this chapter;
  - (3) the employer's premium amount and obligations under this chapter;
  - (4) the name and mailing address of the employer;
  - (5) the identification number assigned to the employer by the department;
  - (6) instructions on how to file a claim for family and medical leave benefits;

- (7) the mailing address, email address, and telephone number of the department; and
- (8) any other information required by the department.

Delivery is made when an employee provides written or electronic acknowledgment of receipt of the information, or signs a statement indicating the employee's refusal to sign such acknowledgment. In cases where an employee refuses to acknowledge receipt, an employer must be able to demonstrate the way the employee had been notified.

- (c) An employer that fails to comply with this section may be issued, for a first violation, a civil penalty of \$50 per employee, and for each subsequent violation, a civil penalty of \$300 per employee. The employer shall have the burden of demonstrating compliance with this section.
- (d) Employer notice to an employee under this section may be provided in paper or electronic format. For notice provided in electronic format only, the employer must provide employee access to an employer-owned computer during an employee's regular working hours to review and print required notices.
- (e) The department shall prepare a uniform employee notice form for employers to use that provides the notice information required under this section. The commissioner shall prepare the uniform employee notice in the five most common languages spoken in Minnesota.
- (f) Each employer who employs or intends to employ seasonal employees as defined in section 268B.01, subdivision 35, must issue to each seasonal employee a notice that the employee is not eligible to receive paid family and medical leave benefits while the employee is so employed. The notice must be provided at the time an employment offer is made, or within 30 days of November 1, 2025, for the employer's existing seasonal employees, and be in a form provided by the department. Delivery is made when an employee provides written or electronic acknowledgment of receipt of the information, or signs a statement indicating the employee's refusal to sign such acknowledgment.

### **EFFECTIVE DATE.** This section is effective November 1, 2025.

- Sec. 48. Minnesota Statutes 2023 Supplement, section 268B.27, subdivision 2, is amended to read:
- Subd. 2. **Construction.** Nothing in this chapter shall be construed to:
- (1) allow an employer to compel an employee to exhaust accumulated sick, vacation, or personal time before or while taking leave under this chapter;
- (2) prohibit an employer from providing additional benefits, including but not limited to covering the portion of earnings not provided during periods of leave covered under this chapter including through a supplemental benefit payment, as defined under section 268B.01, subdivision 41;
- (3) limit the parties to a collective bargaining agreement from bargaining and agreeing with respect to leave benefits and related procedures policies and employee protections that meet or exceed, and do not otherwise conflict with, the minimum standards and requirements in this chapter; or
  - (4) be applied so as to create any power or duty in conflict with federal law.

Sec. 49. Minnesota Statutes 2023 Supplement, section 268B.29, is amended to read:

#### 268B.29 SMALL BUSINESS EMPLOYER ASSISTANCE GRANTS.

- (a) Employers with 30 or fewer employees and less than \$3,000,000 in gross annual revenues as calculated under section 268B.14, subdivision 5b, and an average wage for that employer under section 268B.14, subdivision 5c, less than or equal to 150 percent of the state's average wage in covered employment for the prior year may apply to the department for grants under this section.
- (b) The commissioner may approve a grant of up to \$3,000 if the employer hires a temporary worker, or increases another existing worker's wages, to substitute for an employee on family or medical leave for a period of seven days or more.
  - (c) The maximum total grant per eligible employer in a calendar year is \$6,000.
- (d) Grants must be used to hire temporary workers or to increase wages for current employees. To be eligible for consideration for a grant under this section, the employer must documentation attest, in a manner and format prescribed by the commissioner, that:
- (1) the temporary worker hired or wage-related costs incurred are due to an employee's use of leave under this chapter;
  - (2) the amount of the grant requested is less than or equal to the additional costs incurred by the employer; and
  - (3) the employer meets the revenue requirements in paragraph (a).
- (e) Applications shall be <u>submitted and</u> processed on a first received, first processed basis <u>in a form and manner</u> <u>determined by the commissioner</u> within each calendar year until funding is exhausted. Applications received after funding has been exhausted in a calendar year are not eligible for reimbursement.
- (f) For the purposes of this section, the commissioner shall average the number of employees reported by an employer over the last four completed calendar quarters as submitted in the wage detail records required in section 268B.12 to determine the size of the employer.
  - (g) (f) An employer who has an approved private plan is not eligible to receive a grant under this section.
- (h) (g) Unless additional funds are appropriated, the commissioner may award grants under this section up to a maximum of \$5,000,000 per calendar year from the family and medical benefit insurance account.

#### **EFFECTIVE DATE.** This section is effective January 1, 2026.

# Sec. 50. [268B.30] DATA PRIVACY.

- (a) Except as provided by this section, data collected, created, or maintained under this chapter are private data on individuals or nonpublic data not on individuals as defined in section 13.02, subdivisions 9 and 12, and must not be disclosed except according to a district court order or section 13.05. A subpoena is not considered a district court order.
- (b) Data classified under paragraph (a) may be disseminated to and used by the following without the consent of the subject of the data:
  - (1) state and federal agencies specifically authorized access to the data by state or federal law;

- (2) the unemployment insurance division, to the extent necessary to administer the programs established under this chapter and chapter 268;
- (3) employers, to the extent necessary to support adjudication of application requests and to support the employer's administration of a leave of absence;
- (4) health care providers, to the extent necessary to support verification of health care conditions and qualifying events;.
- (5) the public authority responsible for child support in Minnesota or any other state in accordance with section 256.978;
  - (6) human rights agencies within Minnesota that have enforcement powers;
  - (7) the Department of Revenue, to the extent necessary for its duties under Minnesota laws;
- (8) public and private agencies responsible for administering publicly financed assistance programs for the purpose of monitoring the eligibility of the program's recipients;
- (9) the Department of Labor and Industry and the Commerce Fraud Bureau in the Department of Commerce for uses consistent with the administration of their duties under Minnesota law;
- (10) the Department of Human Services and the Office of Inspector General and its agents within the Department of Human Services, including county fraud investigators, for investigations related to recipient or provider fraud and employees of providers when the provider is suspected of committing public assistance fraud;
  - (11) the Department of Public Safety for support in identify verification;
- (12) local, state, and federal law enforcement agencies for the purpose of ascertaining the last known address and employment location of an individual who is the subject of a criminal investigation;
  - (13) the Department of Health for the purposes of epidemiologic investigations;
  - (14) the Department of Corrections for the purposes of tracking incarceration of applicants; and
- (15) contracted third parties, to the extent necessary to aid in identity verification, adjudication, administration, and evaluation of the program.
- (c) Data on individuals and employers that are collected, maintained, or used by the department in an investigation under section 268B.19, 268B.21, 268B.22, or 268B.23 are confidential as to data on individuals and protected nonpublic data not on individuals as defined in section 13.02, subdivisions 3 and 13, and must not be disclosed except under statute or district court order or to a party named in a criminal proceeding, administrative or judicial, for preparation of a defense.
- (d) Data gathered by the department in the administration of this chapter must not be made the subject or the basis for any suit in any civil proceedings, administrative or judicial, unless the action is initiated by the department.

#### Sec. 51. **REPEALER.**

(a) Minnesota Statutes 2023 Supplement, section 268B.06, subdivision 7, is repealed effective the day following final enactment.

- (b) Minnesota Statutes 2023 Supplement, section 268B.10, subdivision 11, is repealed effective July 1, 2025.
- (c) Minnesota Statutes 2023 Supplement, section 268B.14, subdivision 5, is repealed effective January 1, 2026.
- (d) Minnesota Statutes 2023 Supplement, section 268B.08, is repealed effective November 1, 2025."

Delete the title and insert:

"A bill for an act relating to employees; modifying paid leave provisions; amending Minnesota Statutes 2023 Supplement, sections 268B.01, subdivisions 3, 5, 8, 15, 23, 44, by adding subdivisions; 268B.04; 268B.06, subdivisions 2, 3, 4, 5, by adding a subdivision; 268B.07, subdivisions 1, 2, 3; 268B.085, subdivision 3; 268B.09, subdivisions 1, 6, 7; 268B.10, subdivisions 1, 2, 3, 6, 12, 16, 17, by adding subdivisions; 268B.14, subdivisions 3, 7, by adding subdivisions; 268B.15, subdivision 7; 268B.155, subdivision 2; 268B.185, subdivision 2; 268B.19; 268B.26; 268B.27, subdivision 2; 268B.29; proposing coding for new law in Minnesota Statutes, chapter 268B; repealing Minnesota Statutes 2023 Supplement, sections 268B.06, subdivision 7; 268B.08; 268B.10, subdivision 11; 268B.14, subdivision 5."

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

The report was adopted.

#### SECOND READING OF HOUSE BILLS

H. F. Nos. 4746, 5274 and 5363 were read for the second time.

#### SECOND READING OF SENATE BILLS

S. F. No. 716 was read for the second time.

## INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Engen introduced:

H. F. No. 5465, A bill for an act relating to government data practices; classifying as public police body-worn camera footage of state legislators and executive branch officials; amending Minnesota Statutes 2023 Supplement, section 13.825, subdivision 2.

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

Kozlowski introduced:

H. F. No. 5466, A bill for an act relating to taxation; property; modifying class rates for manufactured home parks; amending Minnesota Statutes 2023 Supplement, section 273.13, subdivision 25.

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

Norris introduced:

H. F. No. 5467, A bill for an act relating to taxation; providing limitations on assessments of individual income, corporate franchise, and sales and use taxes; amending Minnesota Statutes 2022, section 270C.33, by adding a subdivision.

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

Clardy and Pérez-Vega introduced:

H. F. No. 5468, A bill for an act relating to human services licensing; modifying licensing violation actions against chapter 245D providers; requiring reports; amending Minnesota Statutes 2022, section 245A.06, subdivision 1a; Minnesota Statutes 2023 Supplement, section 245A.06, subdivision 2.

The bill was read for the first time and referred to the Committee on Human Services Policy.

Elkins, Bierman, Smith, Bahner and Fischer introduced:

H. F. No. 5469, A bill for an act relating to health; requiring pharmacy benefit managers and health carriers to include lower-cost drugs in their formularies; requiring formulary structure and formulary tiering for each health plan to give preference to the drug with the lowest out-of-pocket cost to the patient; proposing coding for new law in Minnesota Statutes, chapter 62W.

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

Elkins, Bierman, Smith, Bahner and Fischer introduced:

H. F. No. 5470, A bill for an act relating to health care; modifying pharmacy benefit manager business practices; establishing pharmacy benefit manager general reimbursement practices; modifying maximum allowable cost pricing requirements; amending Minnesota Statutes 2022, sections 62W.02, by adding subdivisions; 62W.04; 62W.08; 62W.13; proposing coding for new law in Minnesota Statutes, chapter 62W.

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

Long moved that the House recess subject to the call of the Chair. The motion prevailed.

#### RECESS

#### **RECONVENED**

The House reconvened and was called to order by Speaker pro tempore Tabke.

#### REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Long from the Committee on Rules and Legislative Administration, pursuant to rules 1.21 and 3.33, designated the following bills to be placed on the Calendar for the Day for Wednesday, May 15, 2024 and established a prefiling requirement for amendments offered to the following bills:

H. F. Nos. 5363 and 5274; S. F. No. 716; and H. F. No. 4273.

The following Conference Committee Reports were received:

#### CONFERENCE COMMITTEE REPORT ON H. F. No. 3438

A bill for an act relating to consumer protection; adding the failure to disclose mandatory fees in advertising as a deceptive trade practice; amending Minnesota Statutes 2022, sections 325D.43, by adding a subdivision; 325D.44, by adding subdivisions.

May 10, 2024

The Honorable Melissa Hortman Speaker of the House of Representatives

The Honorable Bobby Joe Champion President of the Senate

We, the undersigned conferees for H. F. No. 3438 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 3438 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2022, section 325D.44, is amended by adding a subdivision to read:

Subd. 1a. Advertisements, displays, or offers. (a) A person engages in a deceptive trade practice when, in the course of business, vocation, or occupation, the person advertises, displays, or offers a price for goods or services that does not include all mandatory fees or surcharges. If the person that disseminates an advertisement is independent of the advertiser, the person is not liable for the content of the advertisement.

- (b) For purposes of this subdivision, "mandatory fee" includes but is not limited to a fee or surcharge that:
- (1) must be paid in order to purchase the goods or services being advertised;
- (2) is not reasonably avoidable by the consumer; or
- (3) a reasonable person would expect to be included in the purchase of the goods or services being advertised.

For the purposes of this subdivision, mandatory fee does not include taxes imposed by a government entity on the sale, use, purchase, receipt, or delivery of the goods or services.

- (c) A delivery platform is compliant with this subdivision if the platform satisfies all of the following requirements:
- (1) at the point when a consumer views and selects either a vendor or items for purchase, a delivery platform must display in a clear and conspicuous manner that an additional flat fee or percentage is charged. The disclosure must include the additional fee or percentage amount; and
- (2) after a consumer selects items for purchase, but prior to checkout, a delivery platform must display a subtotal page that itemizes the price of the menu items and the additional fee that is included in the total cost.
- (d) A person may charge a reasonable postage or shipping fee that is actually incurred by a consumer who has purchased a good that requires shipping.
- (e) Nothing in this subdivision prevents a person from offering goods or services at a discounted price from the advertised, displayed, or offered price.
- (f) A person offering goods or services in an auction where consumers can place bids on the goods or services and the total cost is indeterminable is compliant with this subdivision if the person discloses in a clear and conspicuous manner any mandatory fees associated with the transaction and that the total cost of the goods or services may vary.
- (g) A person offering services where the total cost of a service is determined by consumer selections and preferences, or where the total cost of the service relates to distance or time, is compliant with this subdivision if the person discloses in a clear and conspicuous manner (1) the factors that determine the total price, (2) any mandatory fees associated with the transaction, and (3) that the total cost of the services may vary.
- (h) A food or beverage service establishment, including a hotel, is compliant with this subdivision if, in every offer or advertisement for the purchase of a good or service that includes pricing information, the total price of the good or service being offered or advertised includes a clear and conspicuous disclosure of the percentage of any automatic and mandatory gratuities charged.
- (i) A person is compliant with this subdivision if the person providing broadband Internet access service on its own or as part of a bundle is compliant with the broadband consumer label requirements under Code of Federal Regulations, title 47, section 8.1(a).
- (j) A person is compliant with this subdivision if the person is compliant with the pricing requirements under United States Code, title 47, section 552.
  - (k) This subdivision is enforceable unless preempted by federal law.
- **EFFECTIVE DATE.** This section is effective January 1, 2025, except that this section is effective June 1, 2025, for industries where the prices are regulated by the Metropolitan Airports Commission.

Sec. 2. Minnesota Statutes 2022, section 325D.44, is amended by adding a subdivision to read:

<u>Subd. 1b.</u> <u>Exemptions.</u> <u>Subdivision 1a does not apply to the following:</u>

(1) fees authorized by law related to the purchase or lease of a motor vehicle that are charged by a motor vehicle

dealer, as defined by section 168.27, subdivision 1, paragraph (f);

(2) any business or the business' affiliate where either the business or the affiliate is regulated by the Minnesota

Public Utilities Commission; or

(3) any fees, surcharges, or other costs associated with settlement services, as defined in the Real Estate Settlement Procedures Act, United States Code, title 12, section 2602(3). This clause does not apply to real estate

broker commissions and fees.

**EFFECTIVE DATE.** This section is effective January 1, 2025, except that this section is effective June 1, 2025,

for industries where the prices are regulated by the Metropolitan Airports Commission."

Delete the title and insert:

"A bill for an act relating to consumer protection; making the failure to disclose mandatory fees in advertising a

deceptive trade practice; providing exemptions; amending Minnesota Statutes 2022, section 325D.44, by adding

subdivisions."

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

House Conferees: EMMA GREENMAN and LUCY REHM.

Senate Conferees: LINDSEY PORT and JOHN MARTY.

Greenman moved that the report of the Conference Committee on H. F. No. 3438 be adopted and that the bill be

repassed as amended by the Conference Committee.

A roll call was requested and properly seconded.

Schultz moved that the House refuse to adopt the report of the Conference Committee on H. F. No. 3438 and that

the bill be returned to the Conference Committee.

A roll call was requested and properly seconded.

Speaker pro tempore Tabke called Vang to the Chair.

The question was taken on the Schultz motion and the roll was called. There were 63 yeas and 70 nays as follows:

## Those who voted in the affirmative were:

Altendorf	Davis	Hudson	Mekeland	Olson, B.	Swedzinski
Anderson, P. E.	Demuth	Igo	Mueller	Perryman	Torkelson
Anderson, P. H.	Dotseth	Jacob	Murphy	Petersburg	Urdahl
Backer	Engen	Johnson	Myers	Pfarr	West
Bakeberg	Fogelman	Joy	Nadeau	Quam	Wiener
Baker	Franson	Kiel	Nash	Rarick	Wiens
Bennett	Garofalo	Knudsen	Nelson, N.	Robbins	Witte
Bliss	Gillman	Koznick	Neu Brindley	Schomacker	Zeleznikar
Burkel	Grossell	Kresha	Niska	Schultz	
Daniels	Harder	Lawrence	Novotny	Scott	
Davids	Heintzeman	McDonald	O'Driscoll	Skraba	

## Those who voted in the negative were:

Acomb	Edelson	Hassan	Klevorn	Nelson, M.	Sencer-Mura
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Newton	Smith
Bahner	Feist	Her	Kotyza-Witthuhn	Noor	Stephenson
Becker-Finn	Finke	Hicks	Kozlowski	Norris	Tabke
Berg	Fischer	Hill	Kraft	Olson, L.	Vang
Bierman	Frazier	Hollins	Lee, F.	Pelowski	Virnig
Brand	Frederick	Hornstein	Lee, K.	Pérez-Vega	Wolgamott
Carroll	Freiberg	Howard	Liebling	Pinto	Xiong
Cha	Gomez	Huot	Lillie	Pryor	Youakim
Clardy	Greenman	Hussein	Lislegard	Pursell	Spk. Hortman
Coulter	Hansen, R.	Jordan	Long	Rehm	
Curran	Hanson, J.	Keeler	Moller	Reyer	

The motion did not prevail.

The question recurred on the Greenman motion and the roll was called. There were 73 yeas and 60 nays as follows:

## Those who voted in the affirmative were:

Acomb	Elkins	Hemmingsen-Jaeger	Kotyza-Witthuhn	Noor	Tabke
Agbaje	Engen	Her	Kozlowski	Norris	Vang
Bahner	Feist	Hicks	Kraft	Olson, L.	Virnig
Becker-Finn	Finke	Hill	Lee, F.	Pelowski	West
Berg	Fischer	Hollins	Lee, K.	Pérez-Vega	Wolgamott
Bierman	Frazier	Hornstein	Liebling	Pinto	Xiong
Brand	Frederick	Howard	Lillie	Pryor	Youakim
Carroll	Freiberg	Huot	Lislegard	Pursell	Spk. Hortman
Cha	Gomez	Hussein	Long	Rehm	
Clardy	Greenman	Jordan	Moller	Reyer	
Coulter	Hansen, R.	Keeler	Myers	Sencer-Mura	
Curran	Hanson, J.	Klevorn	Nelson, M.	Smith	
Edelson	Hassan	Koegel	Newton	Stephenson	

Those who voted in the negative were:

Altendorf	Davids	Heintzeman	Lawrence	Novotny	Schultz
Anderson, P. E.	Davis	Hudson	McDonald	O'Driscoll	Scott
Anderson, P. H.	Demuth	Igo	Mekeland	Olson, B.	Skraba
Backer	Dotseth	Jacob	Mueller	Perryman	Swedzinski
Bakeberg	Fogelman	Johnson	Murphy	Petersburg	Torkelson
Baker	Franson	Joy	Nadeau	Pfarr	Urdahl
Bennett	Garofalo	Kiel	Nash	Quam	Wiener
Bliss	Gillman	Knudsen	Nelson, N.	Rarick	Wiens
Burkel	Grossell	Koznick	Neu Brindley	Robbins	Witte
Daniels	Harder	Kresha	Niska	Schomacker	Zeleznikar

The motion prevailed.

H. F. No. 3438, A bill for an act relating to consumer protection; adding the failure to disclose mandatory fees in advertising as a deceptive trade practice; amending Minnesota Statutes 2022, sections 325D.43, by adding a subdivision; 325D.44, by adding subdivisions.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 76 yeas and 57 nays as follows:

Those who voted in the affirmative were:

Acomb	Elkins	Hemmingsen-Jaeger	Kotyza-Witthuhn	Newton	Smith
Agbaje	Engen	Her	Kozlowski	Noor	Stephenson
Bahner	Feist	Hicks	Kraft	Norris	Tabke
Becker-Finn	Finke	Hill	Lee, F.	Olson, L.	Vang
Berg	Fischer	Hollins	Lee, K.	Pelowski	Virnig
Bierman	Frazier	Hornstein	Liebling	Pérez-Vega	West
Brand	Frederick	Howard	Lillie	Pinto	Witte
Carroll	Freiberg	Huot	Lislegard	Pryor	Wolgamott
Cha	Gomez	Hussein	Long	Pursell	Xiong
Clardy	Greenman	Jordan	Moller	Rehm	Youakim
Coulter	Hansen, R.	Keeler	Myers	Reyer	Spk. Hortman
Curran	Hanson, J.	Klevorn	Nelson, M.	Sencer-Mura	
Edelson	Hassan	Koegel	Neu Brindley	Skraba	

Those who voted in the negative were:

Altendorf	Davids	Heintzeman	Lawrence	O'Driscoll	Scott
Anderson, P. E.	Davis	Hudson	McDonald	Olson, B.	Swedzinski
Anderson, P. H.	Demuth	Igo	Mekeland	Perryman	Torkelson
Backer	Dotseth	Jacob	Mueller	Petersburg	Urdahl
Bakeberg	Fogelman	Johnson	Murphy	Pfarr	Wiener
Baker	Franson	Joy	Nadeau	Quam	Wiens
Bennett	Garofalo	Kiel	Nash	Rarick	Zeleznikar
Bliss	Gillman	Knudsen	Nelson, N.	Robbins	
Burkel	Grossell	Koznick	Niska	Schomacker	
Daniels	Harder	Kresha	Novotny	Schultz	

The bill was repassed, as amended by Conference, and its title agreed to.

#### CONFERENCE COMMITTEE REPORT ON H. F. No. 4772

A bill for an act relating to elections; providing for policy and technical changes to elections and campaign finance provisions, including elections administration, campaign finance and lobbying, and census and redistricting; establishing the Minnesota Voting Rights Act; modifying the crime of using deep fakes to influence elections; requiring reports; amending Minnesota Statutes 2022, sections 10A.01, subdivision 33, by adding a subdivision; 123B.09, subdivision 5b; 201.071, subdivision 3; 204B.175; 204C.06, subdivision 1, by adding a subdivision; 204C.19, subdivision 3; 204C.20, subdivision 1, by adding a subdivision; 204C.33, subdivision 1; 204C.35, subdivisions 1, 2, by adding a subdivision; 204C.36, subdivisions 2, 3; 205.16, subdivisions 4, 5; 205A.05, subdivision 3; 205A.07, subdivisions 3, 3b; 205A.11, subdivision 2; 206.89, subdivisions 2, 3, 5, 6; 208.06; 208.44; 208.47; 211B.17, subdivision 1; 211B.18; 375.08; 412.02, subdivision 6, by adding a subdivision; 447.32, subdivision 3; Minnesota Statutes 2023 Supplement, sections 2.92, subdivision 4; 10A.01, subdivision 21; 10A.201, subdivisions 3, 4, 6, 9; 10A.202, subdivision 1; 200.02, subdivision 7; 201.061, subdivisions 3, 3a; 201.071, subdivision 1; 201.1611, subdivision 1; 203B.04, subdivision 1; 203B.07, subdivision 3; 203B.081, subdivision 4; 204B.09, subdivision 3; 204B.16, subdivision 1; 204B.295, subdivisions 1, 2, 3, by adding a subdivision; 204C.24, subdivision 1; 204C.33, subdivision 3; 205.16, subdivision 2; 206.61, subdivision 1; 609.771, subdivisions 2, 3, 4, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 2; 200; 241; 375; repealing Minnesota Statutes 2022, section 383B.031; Minnesota Statutes 2023 Supplement, section 10A.201, subdivision 11.

May 12, 2024

The Honorable Melissa Hortman Speaker of the House of Representatives

The Honorable Bobby Joe Champion President of the Senate

We, the undersigned conferees for H. F. No. 4772 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 4772 be further amended as follows:

Delete everything after the enacting clause and insert:

## "ARTICLE 1 APPROPRIATIONS

Section 1. Laws 2021, First Special Session chapter 12, article 1, section 6, is amended to read:

## Sec. 6. SECRETARY OF STATE

\$9,684,000

\$9,152,000

\$750,000 each year is for transfer to the voting equipment grant account under Minnesota Statutes, section 206.95. <u>These are onetime transfers.</u>

\$1,000,000 each year is for grants to local units of government to implement the provisions of Minnesota Statutes, section 203B.082. These are onetime appropriations.

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

Sec. 2. Laws 2023, chapter 62, article 1, section 6, is amended to read:

#### Sec. 6. SECRETARY OF STATE

\$ <del>13,470,000</del> 14,720,000

\$ <del>11,069,000</del> <u>12,405,000</u>

The base for this appropriation is \$11,255,000 \$12,505,000 in fiscal year 2026 and \$11,069,000 \$12,319,000 in fiscal year 2027.

\$500,000 the first year is for the secretary of state to make grants to counties and municipalities to improve access to polling places for individuals with disabilities and to provide the same opportunity for access and participation in the electoral process, including privacy and independence, to voters with disabilities as that which exists for voters with no disabilities. Funds may be used to purchase equipment or to make capital improvements to government-owned facilities. This is a onetime appropriation and is available until June 30, 2027.

\$200,000 the first year is to develop and implement an educational campaign relating to the restoration of the right to vote to formerly incarcerated individuals, including voter education materials and outreach to affected individuals.

\$2,250,000 the first year and \$3,086,000 the second year are for transfer to the voting operations, technology, and election resources account established under Minnesota Statutes, section 5.305. The base for this transfer in fiscal years 2026 and 2027 is \$3,000,000.

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

Sec. 3. Laws 2023, chapter 62, article 1, section 43, is amended to read:

# Sec. 43. TRANSFER; VOTING OPERATIONS, TECHNOLOGY, AND ELECTION RESOURCES ACCOUNT.

\$1,250,000 each year \$750,000 in fiscal year 2024 is transferred from the general fund voting equipment grant account under Minnesota Statutes, section 206.95, to the voting operations, technology, and election resources account established under Minnesota Statutes, section 5.305. The base for this transfer is \$1,250,000 in fiscal year 2026 and each fiscal year thereafter. This is a onetime transfer.

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

### Sec. 4. SECRETARY OF STATE; APPROPRIATION; TRANSFER.

(a) \$200,000 in fiscal year 2025 is appropriated from the general fund to the secretary of state to make reimbursements for polling locations to counties and cities that conduct absentee voting that locate a temporary polling location on a campus of a postsecondary institution that provides on-campus student housing to 100 or more students and that complies with the provisions of Minnesota Statutes, section 203B.0815. The base for this appropriation in fiscal year 2026 and each even-numbered fiscal year thereafter is \$40,000. The base for this appropriation in fiscal year 2027 and each odd-numbered fiscal year thereafter is \$110,000.

(b) \$144,000 in fiscal year 2025 is transferred from the general fund to the Voting Rights Act cost sharing account in the special revenue fund. The base for this transfer is \$25,000 in fiscal year 2026 and each fiscal year thereafter.

### Sec. 5. CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD; APPROPRIATIONS.

- (a) \$20,000 in fiscal year 2025 is appropriated from the general fund to the Campaign Finance and Public Disclosure Board for costs related to implementing article 4. This is a onetime appropriation.
- (b) \$50,000 in fiscal year 2025 is appropriated from the general fund to the Campaign Finance and Public Disclosure Board to develop online training capabilities for campaign treasurers. This is a onetime appropriation.

#### ARTICLE 2 **ELECTIONS ADMINISTRATION**

- following purposes, provided the expenditures are directly related to election administration:
- Section 1. Minnesota Statutes 2023 Supplement, section 5.305, subdivision 5, is amended to read: Subd. 5. Use of funds. A local unit of government may use the funds allocated pursuant to this section for the (1) equipment; (2) hardware or software; (3) cybersecurity; (4) security-related infrastructure; (5) capital improvements to government-owned property to improve access to polling places for individuals with disabilities; (6) staff costs for election administrators, election judges, and other election officials; (7) printing and publication; (8) postage; (9) programming;

  - (10) transitioning to a .gov domain;
  - (11) local match for state or federal funds; and
  - (11) (12) any other purpose directly related to election administration.
  - Sec. 2. Minnesota Statutes 2022, section 123B.09, subdivision 5b, is amended to read:
- Subd. 5b. Appointments to fill vacancies; special elections. (a) Any vacancy on the board, other than a vacancy described in subdivision 4, must be filled by board appointment at a regular or special meeting. The appointment shall be evidenced by a resolution entered in the minutes and shall be effective 30 days following adoption of the resolution, subject to paragraph (b) (d). If the appointment becomes effective, it shall continue for

the remainder of the unexpired term or until an election is held under this subdivision, as applicable. All elections to fill vacancies shall be for the unexpired term. A special election to fill the vacancy must be held no later than the first Tuesday after the first Monday in November following the vacancy. If the vacancy occurs less than 90 days prior to the first Tuesday after the first Monday in November in the year in which the vacancy occurs, the special election must be held no later than the first Tuesday after the first Monday in November of the following calendar year. If the vacancy occurs less than 90 days prior to the first Tuesday after the first Monday in November in the third year of the term, no special election is required. If the vacancy is filled by a special election, the person elected at that election for the ensuing term shall take office immediately after receiving the certificate of election, filing the bond, and taking the oath of office.

- (b) Notwithstanding paragraph (a), if the vacancy occurs less than two years prior to the expiration of the term, no special election is required and the appointee of the board shall serve for the remainder of the unexpired term, subject to paragraph (d).
- (c) Notwithstanding paragraph (a), if the vacancy occurs less than 90 days prior to the expiration of the term, the board may, but is not required to, fill the vacancy by board appointment at a regular or special meeting.
- (d) Notwithstanding paragraphs (a) and (b), if the vacancy occurs because a school board member was removed pursuant to section 123B.09, subdivision 9, a special election must be held to fill the vacancy as soon as possible on a uniform election date. This paragraph does not apply if the vacancy occurs after candidate filing begins under section 205A.06 in the year preceding the end of the term.
- (b) (e) An appointment made under paragraph (a) shall not be effective if a petition to reject the appointee is filed with the school district clerk. To be valid, a petition to reject an appointee must be signed by a number of eligible voters residing in the district equal to at least five percent of the total number of voters voting in the district at the most recent state general election, and must be filed within 30 days of the board's adoption of the resolution making the appointment. If a valid petition is filed according to the requirements of this paragraph, the appointment by the school board is ineffective and the board must name a new appointee as provided in paragraph (a).

## **EFFECTIVE DATE.** This section is effective July 1, 2024, and applies to vacancies occurring on or after that date.

- Sec. 3. Minnesota Statutes 2023 Supplement, section 200.02, subdivision 7, is amended to read:
- Subd. 7. **Major political party.** (a) "Major political party" means a political party that maintains a party organization in the state; has complied with the party's constitution and rules; is in compliance with the requirements of sections 202A.12 and 202A.13; files with the secretary of state no later than December 1 of each odd-numbered year a certification that the party has met the foregoing requirements, including a list of the dates and locations of each convention held; and meets all other qualification requirements of this subdivision.
  - (b) A political party qualifies as a major political party by:
  - (1) presenting at least one candidate for election to the office of:
- (i) governor and lieutenant governor, secretary of state, state auditor, or attorney general at the last preceding state general election for those offices; or
  - (ii) presidential elector or U.S. senator at the last preceding state general election for presidential electors; and

whose candidate received votes in each county in that election and received votes from not less than five percent of the total number of individuals who voted in that election, if the state general election was held on or before November 8, 2022, or not less than eight percent of the total number of individuals who voted in that election, at a state general election held on or after November 7, 2024;

- (2) presenting at least 45 candidates for election to the office of state representative, 23 candidates for election to the office of state senator, four candidates for election to the office of representative in Congress, and one candidate for election to each of the following offices: governor and lieutenant governor, attorney general, secretary of state, and state auditor, at the last preceding state general election for those offices; or
- (3) presenting to the secretary of state at any time before the close of filing for the state partisan primary ballot a petition for a place on the state partisan primary ballot, which petition contains valid signatures of a number of the party members equal to at least five percent of the total number of individuals who voted in the preceding state general election. A signature is valid only if signed no more than one year prior to the date the petition was filed.
- (c) A political party whose candidate receives a sufficient number of votes at a state general election described in paragraph (b), clause (1), or a political party that presents candidates at an election as required by paragraph (b), clause (2), becomes a major political party as of January 1 following that election. A political party that complies with paragraph (a) retains its major party status for at least two state general elections even if the party fails to present a candidate who receives the number and percentage of votes required under paragraph (b), clause (1), or fails to present candidates as required by paragraph (b), clause (2), at subsequent state general elections.
- (d) A major political party whose candidates fail to receive the number and percentage of votes required under paragraph (b), clause (1), and that fails to present candidates as required by paragraph (b), clause (2), at each of two consecutive state general elections described by paragraph (b), clause (1) or (2), respectively, loses major party status as of December 31 following the later of the two consecutive state general elections.
- (e) A major political party that does not submit the certification required by this subdivision loses major party status on December 31 of the year in which the party did not file the certification.
- (f) The secretary of state must notify the chair of the major political party, the commissioner of revenue, and the Campaign Finance and Public Disclosure Board if the political party's status is changed pursuant to this section.

- Sec. 4. Minnesota Statutes 2023 Supplement, section 201.061, subdivision 3, is amended to read:
- Subd. 3. **Election day registration.** (a) An individual who is eligible to vote may register on election day by appearing in person at the polling place for the precinct in which the individual maintains residence, by completing a registration application, making an oath in the form prescribed by the secretary of state and providing proof of residence. An individual may prove residence for purposes of registering by:
  - (1) presenting a driver's license or Minnesota identification card issued pursuant to section 171.07;
  - (2) presenting any document approved by the secretary of state as proper identification;
  - (3) presenting one of the following:
- (i) a current valid student identification card from a postsecondary educational institution in Minnesota, if a list of students from that institution has been prepared under section 135A.17 and certified to the county auditor in the manner provided in rules of the secretary of state; or

- (ii) a current student fee statement that contains the student's valid address in the precinct together with a picture identification card; or
- (4) having a voter who is registered to vote in the precinct, or an employee employed by and working in a residential facility in the precinct and vouching for a resident in the facility, sign an oath in the presence of the election judge vouching that the voter or employee personally knows that the individual is a resident of the precinct. A voter who has been vouched for on election day may not sign a proof of residence oath vouching for any other individual on that election day. A voter who is registered to vote in the precinct may sign up to eight proof-of-residence oaths on any election day. This limitation does not apply to an employee of a residential facility described in this clause. The secretary of state shall provide a form for election judges to use in recording the number of individuals for whom a voter signs proof-of-residence oaths on election day. The form must include space for the maximum number of individuals for whom a voter may sign proof-of-residence oaths. For each proof-of-residence oath, the form must include a statement that the individual: (i) is registered to vote in the precinct or is an employee of a residential facility in the precinct, (ii) personally knows that the voter is a resident of the precinct, and (iii) is making the statement on oath. The form must include a space for the voter's printed name, signature, telephone number, and address.

The oath required by this subdivision and Minnesota Rules, part 8200.9939, must be attached to the voter registration application.

- (b) The operator of a residential facility shall prepare a list of the names of its employees currently working in the residential facility and the address of the residential facility. The operator shall certify the list and provide it to the appropriate county auditor no less than 20 days before each election for use in election day registration.
- (c) "Residential facility" means transitional housing as defined in section 256E.33, subdivision 1; a supervised living facility licensed by the commissioner of health under section 144.50, subdivision 6; a nursing home as defined in section 144A.01, subdivision 5; an assisted living facility licensed by the commissioner of health under chapter 144G; a veterans home operated by the board of directors of the Minnesota Veterans Homes under chapter 198; a residence licensed by the commissioner of human services to provide a residential program as defined in section 245A.02, subdivision 14; a residential facility for persons with a developmental disability licensed by the commissioner of human services under section 252.28; setting authorized to provide housing support as defined in section 256I.03, subdivision 10a; a shelter for battered women as defined in section 611A.37, subdivision 4; a supervised publicly or privately operated shelter or dwelling designed to provide temporary living accommodations for the homeless; a facility where a provider operates a residential treatment program as defined in section 245A.02, subdivision 23; or a facility where a provider operates an adult foster care program as defined in section 245A.02, subdivision 6c.
  - (d) For tribal band members, an individual may prove residence for purposes of registering by:
- (1) presenting an identification card issued by the tribal government of a tribe recognized by the Bureau of Indian Affairs, United States Department of the Interior, that contains the name, address, signature, and picture of the individual; or
- (2) presenting an identification card issued by the tribal government of a tribe recognized by the Bureau of Indian Affairs, United States Department of the Interior, that contains the name, signature, and picture of the individual and also presenting one of the documents listed in Minnesota Rules, part 8200.5100, subpart 2, item B.
- (e) A county, school district, or municipality may require that an election judge responsible for election day registration initial each completed registration application.

- Sec. 5. Minnesota Statutes 2023 Supplement, section 201.061, subdivision 3a, is amended to read:
- Subd. 3a. Additional proofs of residence permitted for students. (a) An eligible If an eligible voter's name; student identification number, if available; and address within the precinct appear on a current residential housing list under section 135A.17 certified to the county auditor by the postsecondary educational institution, the voter may prove residence by presenting a current valid photo identification issued by a postsecondary educational institution in Minnesota if the voter's name; student identification number, if available; and address within the precinct appear on a current residential housing list under section 135A.17, certified to the county auditor by the postsecondary educational institution; identification authorized in subdivision 3, paragraph (a), clause (1) or (2); or identification authorized in subdivision 3, paragraph (d), clause (1) or (2).
- (b) This additional proof of residence for students must not be allowed unless the postsecondary educational institution submits to the county auditor no later than 60 days prior to the election a written agreement that the postsecondary educational institution will certify for use at the election accurate updated residential housing lists under section 135A.17. A written agreement is effective for the election and all subsequent elections held in that calendar year, including the November general election.
- (c) The additional proof of residence for students must be allowed on an equal basis for voters who reside in housing meeting the requirements of section 135A.17, if the residential housing lists certified by the postsecondary educational institution meet the requirements of this subdivision.
- (d) An updated residential housing list must be certified to the county auditor no earlier <u>later</u> than 20 days prior to each election. The certification must be dated and signed by the chief officer or designee of the postsecondary educational institution and must state that the list is current and accurate and includes only the names of persons residing <u>in the institution's housing and, for students who do not live in the institution's housing, that it reflects the institution's records</u> as of the date of the certification.
- (e) The county auditor shall instruct the election judges of the precinct in procedures for use of the list in conjunction with photo identification. The auditor shall supply a list to the election judges with the election supplies for the precinct.
- (f) The county auditor shall notify all postsecondary educational institutions in the county of the provisions of this subdivision.

### **EFFECTIVE DATE.** This section is effective June 1, 2024.

Sec. 6. Minnesota Statutes 2023 Supplement, section 201.071, subdivision 1, is amended to read:

Subdivision 1. **Form.** Both paper and electronic voter registration applications must contain the same information unless otherwise provided by law. A voter registration application must contain spaces for the following required information: voter's first name, middle name, and last name; voter's previous name, if any; voter's current address; voter's previous address, if any; voter's date of birth; voter's municipality and county of residence; voter's telephone number, if provided by the voter; date of registration; current and valid Minnesota driver's license number or Minnesota state identification number, or if the voter has no current and valid Minnesota driver's license or Minnesota state identification, the last four digits of the voter's Social Security number; a box to indicate a voter's preference to join the permanent absentee voter list; and voter's signature. The paper registration application must provide a space for a voter to provide a physical description of the location of their residence, if the voter resides in an area lacking a specific physical address. The description must be sufficient for the county auditor to identify the correct precinct for the voter. The description may include the closest cross street or the nearest address to the described location that is identified on a precinct map, and directions from that cross street or address to the described location, including but not limited to the cardinal direction and approximate distance to the location.

The paper registration application may include the voter's email address, if provided by the voter. The electronic voter registration application must include the voter's email address. The registration application may include the voter's interest in serving as an election judge, if indicated by the voter. The application must also contain the following certification of voter eligibility:

"I certify that I:

- (1) am at least 16 years old and understand that I must be at least 18 years old to be eligible to vote;
- (2) am a citizen of the United States;
- (3) will have maintained residence in Minnesota for 20 days immediately preceding election day;
- (4) maintain residence at the address <u>or location</u> given on the registration form;
- (5) am not under court-ordered guardianship in which the court order revokes my right to vote;
- (6) have not been found by a court to be legally incompetent to vote;
- (7) am not currently incarcerated for a conviction of a felony offense; and
- (8) have read and understand the following statement: that giving false information is a felony punishable by not more than five years imprisonment or a fine of not more than \$10,000, or both."

The certification must include boxes for the voter to respond to the following questions:

- "(1) Are you a citizen of the United States?" and
- "(2) Are you at least 16 years old and will you be at least 18 years old on or before the day of the election in which you intend to vote?"

And the instruction:

"If you checked 'no' to either of these questions, do not complete this form."

The form of the voter registration application and the certification of voter eligibility must be as provided in this subdivision and approved by the secretary of state. Voter registration forms authorized by the National Voter Registration Act must also be accepted as valid. The federal postcard application form must also be accepted as valid if it is not deficient and the voter is eligible to register in Minnesota.

An individual may use a voter registration application to apply to register to vote in Minnesota or to change information on an existing registration.

- Sec. 7. Minnesota Statutes 2022, section 201.071, subdivision 3, is amended to read:
- Subd. 3. **Deficient registration.** No voter registration application is deficient if it contains the voter's name, address <u>or location of residence</u>, date of birth, current and valid Minnesota driver's license number or Minnesota state identification number, or if the voter has no current and valid Minnesota driver's license or Minnesota state identification number, the last four digits of the voter's Social Security number, if the voter has been issued a Social

Security number, prior registration, if any, and signature. The absence of a zip code number does not cause the registration to be deficient. Failure to check a box on an application form that a voter has certified to be true does not cause the registration to be deficient. The election judges shall request an individual to correct a voter registration application if it is deficient or illegible. No eligible voter may be prevented from voting unless the voter's registration application is deficient or the voter is duly and successfully challenged in accordance with section 201.195 or 204C.12.

A voter registration application accepted prior to August 1, 1983, is not deficient for lack of date of birth. The county or municipality may attempt to obtain the date of birth for a voter registration application accepted prior to August 1, 1983, by a request to the voter at any time except at the polling place. Failure by the voter to comply with this request does not make the registration deficient.

A voter registration application accepted before January 1, 2004, is not deficient for lack of a valid Minnesota driver's license or state identification number or the last four digits of a Social Security number. A voter registration application submitted by a voter who does not have a Minnesota driver's license or state identification number, or a Social Security number, is not deficient for lack of any of these numbers.

A voter registration application submitted electronically through the website of the secretary of state prior to April 30, 2014, is not invalid as a result of its electronic submission.

- Sec. 8. Minnesota Statutes 2023 Supplement, section 201.091, subdivision 4, is amended to read:
- Subd. 4. **Public information lists.** (a) The county auditor shall make available for inspection a public information list which must contain the name, address, year of birth, and voting history of each registered voter in the county. Data on applicants submitted pursuant to section 201.061, subdivision 1b, are not part of the public information list until the voter is registered or has voting history. The list must not include the party choice of any voter who voted in a presidential nomination primary. The telephone number must be included on the list if provided by the voter. The public information list may also include information on voting districts. The county auditor may adopt reasonable rules governing access to the list.
- (b) No individual inspecting the public information list shall tamper with or alter it in any manner. No individual who inspects the public information list or who acquires a list of registered voters prepared from the public information list may use any information contained in the list for purposes unrelated to elections, political activities, or law enforcement. The secretary of state may provide copies of the public information lists and other information from the statewide registration system for uses related to elections, political activities, or in response to a law enforcement inquiry from a public official concerning a failure to comply with any criminal statute or any state or local tax statute.
- (c) Before inspecting the public information list or obtaining a list of voters or other information from the list, the individual shall provide identification to the public official having custody of the public information list and shall state in writing that any information obtained from the list will not be used for purposes unrelated to elections, political activities, or law enforcement. Requests to examine or obtain information from the public information lists or the statewide registration system must be made and processed in the manner provided in the rules of the secretary of state.
- (d) Upon receipt of a statement signed by the voter that withholding the voter's name from the public information list is required for the safety of the voter or the voter's family, the secretary of state and county auditor must withhold from the public information list the name of a registered voter.

- (e) Notwithstanding paragraphs (b) and (c) and regardless of the purpose of the publication, a recipient of a public information list must not:
- (1) publish any of the information from the list on the Internet on any list, database, or other similar searchable format; or
- (2) sell, loan, provide access to, or otherwise surrender any information obtained from the list to any person or entity, except that an individual who obtains the public information list on behalf of an organization, entity, or political subdivision may distribute the information to the organization's, entity's, or political subdivision's volunteers or employees for purposes related to elections, political activities, or law enforcement in the case where the information is provided in response to a law enforcement inquiry from a public official concerning a failure to comply with any criminal statute or any state or local tax statute. Nothing in this section prohibits the preparation, use, or transfer, for purposes related to elections or political activities, of a database that includes data obtained from the public information list which is aggregated with data obtained from other sources provided that such database is used exclusively for purposes related to elections or political activities and no information from the list is published on the Internet. The prohibitions of this paragraph do not apply if the subject of the information provides express written permission to use the subject's data in a manner otherwise prohibited by this paragraph. For purposes of this paragraph, "publish" means information is made available to the general public.

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

- Sec. 9. Minnesota Statutes 2022, section 201.13, subdivision 1a, is amended to read:
- Subd. 1a. **Social Security Administration; other reports of deceased residents.** The secretary of state may must determine if any of the persons listed on the Social Security Death Index or reported as deceased by the vital records department of another state are registered to vote and prepare a list of those registrants for each county auditor. The county auditor shall change the status of those registrants to "deceased" in the statewide voter registration system.
  - Sec. 10. Minnesota Statutes 2023 Supplement, section 201.1611, subdivision 1, is amended to read:
- Subdivision 1. **Forms.** (a) All postsecondary institutions that enroll students accepting state or federal financial aid must provide voter registration forms to each student during the fall and spring of each year. In state election years, it must be provided 15 days in advance of the deadline for registering to vote for the state general election. If the voter registration forms are provided electronically, the electronic message must be devoted exclusively to voter registration.
- (b) All school districts must make available <u>paper or electronic</u> voter registration applications each May and September to all students registered as students of the school district who <u>will be are</u> eligible to <u>register or preregister to</u> vote <u>at the next election after those months</u>. A school district has no obligation to provide voter registration applications to students who participate in a postsecondary education option program or who otherwise maintain residence in the district but do not attend a school operated by the district. A school district fulfills its obligation to a student under this section if it provides a voter registration application to the student one time.
- (c) The voter registration forms must contain spaces for the information required in section 201.071, subdivision 1, and applicable rules of the secretary of state. The institutions and school districts may request these forms from the secretary of state. Institutions must consult with their campus student government in determining the most effective means of distributing the forms and in seeking to facilitate election day registration of students under section 201.061, subdivision 3. School districts must advise students that completion of the voter registration application is not a school district requirement.

- (d) The institutions must report to the secretary of state by November 30 of each year on their implementation of this section. At a minimum, the report must include how and when the forms were distributed and the voter engagement plan under subdivision 3, paragraph (b), clause (2). Institutions may include information about methods that were effective in increasing student registrations.
- (e) By February 1 of each year, the secretary of state must report to the chairs and ranking minority members of the legislative committees with jurisdiction over elections on the information under paragraph (d). The secretary must highlight best practices and innovative methods that were most effective in registering students to vote.
  - Sec. 11. Minnesota Statutes 2023 Supplement, section 203B.04, subdivision 1, is amended to read:
- Subdivision 1. **Application procedures.** (a) Except as otherwise allowed by subdivision 2 or by section 203B.11, subdivision 4, an application for absentee ballots for any election may be submitted at any time not less than one day before the day of that election. The county auditor shall prepare absentee ballot application forms in the format provided by the secretary of state and shall furnish them to any person on request. By January 1 of each even-numbered year, the secretary of state shall make the forms to be used available to auditors through electronic means. An application submitted pursuant to this subdivision shall be in writing. An application may be submitted in person, by electronic facsimile device, by electronic mail, or by mail to:
  - (1) the county auditor of the county where the applicant maintains residence; or
- (2) the municipal clerk of the municipality, or school district if applicable, where the applicant maintains residence.
- For a federal, state, or county election, (b) An absentee ballot application may alternatively be submitted electronically through a secure website that shall be maintained by the secretary of state for this purpose. Notwithstanding paragraph (b) (d), the secretary of state must require applicants using the website to submit the applicant's email address and verifiable Minnesota driver's license number, Minnesota state identification card number, or the last four digits of the applicant's Social Security number. This paragraph does not apply to a town election held in March.
- (c) An application submitted electronically under this paragraph may only be transmitted to the county auditor for processing if the secretary of state has verified the application information matches the information in a government database associated with the applicant's driver's license number, state identification card number, or Social Security number. The secretary of state must review all unverifiable applications for evidence of suspicious activity and must forward any such application to an appropriate law enforcement agency for investigation.
- (b) (d) An application shall be approved if it is timely received, signed and dated by the applicant, contains the applicant's name and residence and mailing addresses, date of birth, and at least one of the following:
  - (1) the applicant's Minnesota driver's license number;
  - (2) Minnesota state identification card number;
  - (3) the last four digits of the applicant's Social Security number; or
  - (4) a statement that the applicant does not have any of these numbers.
- (e) (e) To be approved, the application must contain an oath that the information contained on the form is accurate, that the applicant is applying on the applicant's own behalf, and that the applicant is signing the form under penalty of perjury.

- (d) (f) An applicant's full date of birth, Minnesota driver's license or state identification number, and the last four digits of the applicant's Social Security number must not be made available for public inspection. An application may be submitted to the county auditor or municipal clerk by an electronic facsimile device. An application mailed or returned in person to the county auditor or municipal clerk on behalf of a voter by a person other than the voter must be deposited in the mail or returned in person to the county auditor or municipal clerk within ten days after it has been dated by the voter and no later than six days before the election.
- (e) (g) An application under this subdivision may contain an application under subdivision 5 to automatically receive an absentee ballot.

**EFFECTIVE DATE.** This section is effective September 1, 2025, and applies to elections occurring on or after November 4, 2025.

- Sec. 12. Minnesota Statutes 2023 Supplement, section 203B.07, subdivision 3, is amended to read:
- Subd. 3. **Eligibility certificate.** A certificate of eligibility to vote by absentee ballot shall be printed on the back of the signature envelope. The certificate shall contain space for the voter's Minnesota driver's license number, state identification number, or the last four digits of the voter's Social Security number, or to indicate that the voter does not have one of these numbers. The space must be designed to ensure that the voter provides the same type of identification as provided on the voter's absentee ballot application for purposes of comparison. The certificate must also contain a statement to be signed and sworn by the voter indicating that the voter meets all of the requirements established by law for voting by absentee ballot and space for a statement signed by a person who is registered to vote in Minnesota at least 18 years of age on or before the day of the election and a citizen of the United States or by a notary public or other individual authorized to administer oaths stating that:
  - (1) the ballots were displayed to that individual unmarked;
- (2) the voter marked the ballots in that individual's presence without showing how they were marked, or, if the voter was physically unable to mark them, that the voter directed another individual to mark them; and
- (3) if the voter was not previously registered, the voter has provided proof of residence as required by section 201.061, subdivision 3.

**EFFECTIVE DATE.** This section is effective for elections for which the absentee ballot period begins on or after January 1, 2025.

- Sec. 13. Minnesota Statutes 2023 Supplement, section 203B.081, subdivision 4, is amended to read:
- Subd. 4. **Temporary locations.** (a) A county auditor or municipal clerk authorized under section 203B.05 to administer voting before election day may designate additional polling places with days and hours that differ from those required by section 203B.085. A designation authorized by this subdivision must be made at least 47 days before the election. The county auditor or municipal clerk must provide notice to the secretary of state at the time that the designations are made.
- (b) At the request of a federally recognized Indian Tribe with a reservation in the county, the county auditor must establish an additional polling place for at least one day on the Indian reservation on a site agreed upon by the Tribe and the county auditor that is accessible to the county auditor by a public road.

- (c) At the request of a postsecondary institution or the student government organization of a postsecondary institution in the county or municipality, the county auditor or a municipal clerk authorized to administer absentee voting under section 203B.05 must establish an additional temporary polling place for the state general election or the odd-year city general election for at least one day at a location agreed upon by the institution and the county auditor or municipal clerk that:
  - (1) is accessible to the public;
  - (2) satisfies the requirements of state and federal law; and
- (3) is on the institution's campus or is within one-half mile of the institution's campus and is reasonably accessible to the institution's students.

A request must be made no later than May 31 before an election and the request is valid only for that election. This paragraph only applies to a postsecondary institution that provides on-campus student housing to 100 or more students. Nothing in this paragraph prevents the county auditor or municipal clerk from engaging in a dialogue with the entity that made the request regarding potential alternative locations for a temporary polling place that does not meet the requirements of clause (3). An entity that made a request for a temporary polling place may withdraw its request by notifying the county auditor or municipal clerk.

**EFFECTIVE DATE.** This section is effective January 1, 2025, and applies to elections held on or after that date.

# Sec. 14. [203B.0815] TEMPORARY LOCATIONS REIMBURSEMENTS; POSTSECONDARY INSTITUTIONS.

- (a) The secretary of state must reimburse counties and cities that administer absentee voting for the actual costs of operating temporary polling locations on postsecondary institution campuses that provide on-campus student housing to 100 or more students. The reimbursement amount for an individual city or county must not exceed:
  - (1) \$5,000 for one polling location the first year it applies for a reimbursement under this section:
  - (2) \$3,000 for each additional polling location the first year it applies for a reimbursement under this section; and
  - (3) \$3,000 for each polling location in subsequent years.

If appropriations available to make reimbursements under this section are insufficient to fully make all reimbursements, the secretary must reduce all reimbursements proportionally. The unspent balance of an appropriation to make reimbursements under this section in the first fiscal year of a biennium may be carried forward into the second year of the biennium.

- (b) Expenses eligible for reimbursement under paragraph (a) include:
- (1) voting equipment purchasing and programming;
- (2) secure storage for voting equipment and supplies;
- (3) staff costs for election administrators, election judges, or other election officials;
- (4) ballot and voting materials printing;
- (5) set-up costs including transportation, parking, and office supplies;

- (6) voting booths; and
- (7) technology necessary to conduct voting at the polling location.
- (c) The secretary of state may make a reimbursement to a county or city only after receiving a completed application. The application must be submitted to the secretary of state on or before December 15 in the year in which the election was held. At a minimum, the application must contain the following information:
  - (1) the name and title of the individual preparing the application;
  - (2) the date the application is submitted;
  - (3) the name of the county or city;
  - (4) the following information about each temporary location:
  - (i) the name of the postsecondary institution;
  - (ii) the temporary location on campus;
  - (iii) the date the polling location was open;
  - (iv) the number of voters that cast ballots at the temporary location; and
- (v) whether the polling location was requested by the postsecondary institution or the student government organization or established by the county or city;
  - (5) the total costs and itemized costs of establishing each temporary location; and
  - (6) the total amount of the reimbursement requested.
- (d) By February 1 in the year following the election, the secretary of state must determine the amount of reimbursement to be made to each eligible county or city. The reimbursements must be distributed no later than February 15.
- (e) By February 1 each year, the secretary of state must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over elections policy on the reimbursements awarded under this section. The report must detail each reimbursement awarded, including the information in paragraph (c), clauses (2) to (6).
- (f) By June 30 in the second fiscal year of each biennium and after making all eligible reimbursements under paragraph (d), the secretary of state must transfer any remaining balance of appropriations for that purpose to the voting operations, technology, and election resources account established under section 5.305.
  - Sec. 15. Minnesota Statutes 2023 Supplement, section 203B.121, subdivision 2, is amended to read:
- Subd. 2. **Duties of ballot board; absentee ballots.** (a) The members of the ballot board shall take possession of all signature envelopes delivered to them in accordance with section 203B.08. Upon receipt from the county auditor, municipal clerk, or school district clerk, two or more members of the ballot board shall examine each

signature envelope and shall mark it accepted or rejected in the manner provided in this subdivision. Election judges performing the duties in this section must be of different major political parties, unless they are exempt from that requirement under section 205.075, subdivision 4, or section 205A.10, subdivision 2.

- (b) The members of the ballot board shall mark the signature envelope "Accepted" and initial or sign the signature envelope below the word "Accepted" if a majority of the members of the ballot board examining the envelope are satisfied that:
- (1) the voter's name and address on the signature envelope are the same as the information provided on the absentee ballot application or voter record;
  - (2) the voter signed the certification on the envelope;
- (3) the voter's Minnesota driver's license, state identification number, or the last four digits of the voter's Social Security number are the same as a number on the voter's absentee ballot application or voter record. If the number does not match, the election judges must compare the signature provided by the applicant to determine whether the ballots were returned by the same person to whom they were transmitted;
- (4) the voter is registered and eligible to vote in the precinct or has included a properly completed voter registration application in the signature envelope;
  - (5) the certificate has been completed as prescribed in the directions for casting an absentee ballot; and
- (6) the voter has not already voted at that election, either in person or, if it is after the close of business on the 19th day before the election, as provided by section 203B.081.

The signature envelope from accepted ballots must be preserved and returned to the county auditor.

- (c)(1) If a majority of the members of the ballot board examining a signature envelope find that an absentee voter has failed to meet one of the requirements provided in paragraph (b), they shall mark the signature envelope "Rejected," initial or sign it below the word "Rejected," list the reason for the rejection on the envelope, and return it to the county auditor. There is no other reason for rejecting an absentee ballot beyond those permitted by this section. Failure to place the ballot within the ballot envelope before placing it in the outer white envelope is not a reason to reject an absentee ballot.
- (2) If an envelope has been rejected at least five days before the election, the envelope must remain sealed and the official in charge of the ballot board shall provide the voter with a replacement absentee ballot and signature envelope in place of the rejected ballot.
- (3) If an envelope is rejected within five days of the election, the envelope must remain sealed and the official in charge of the ballot board must attempt to contact the voter to notify the voter that the voter's ballot has been rejected. The ballot board must contact the voter by the method or methods of communication provided by the voter on the voter's application for an absentee ballot or voter registration. The official must document the attempts made to contact the voter.
- (d) The official in charge of the absentee ballot board must mail the voter a written notice of absentee ballot rejection between six and ten weeks following the election. If the official determines that the voter has otherwise cast a ballot in the election, no notice is required. If an absentee ballot arrives after the deadline for submission provided by this chapter, the notice must be provided between six to ten weeks after receipt of the ballot. A notice of absentee ballot rejection must contain the following information:
- (1) the date on which the absentee ballot was rejected or, if the ballot was received after the required deadline for submission, the date on which the ballot was received;

- (2) the reason for rejection; and
- (3) the name of the appropriate election official to whom the voter may direct further questions, along with appropriate contact information.
- (e) An absentee ballot signature envelope marked "Rejected" may not be opened or subject to further review except in an election contest filed pursuant to chapter 209.
  - Sec. 16. Minnesota Statutes 2023 Supplement, section 204B.06, subdivision 1b, is amended to read:
- Subd. 1b. Address, electronic mail address, and telephone number. (a) An affidavit of candidacy must state a telephone number where the candidate can be contacted. An affidavit must also state the candidate's or campaign's nongovernment issued electronic mail address or an attestation that the candidate and the candidate's campaign do not possess an electronic mail address. An affidavit must also state the candidate's current address of residence as determined under section 200.031, or at the candidate's request in accordance with paragraph (c), the candidate's campaign contact address. When filing the affidavit, the candidate must present the filing officer with the candidate's valid driver's license or state identification card that contains the candidate's current address of residence, or documentation of proof of residence authorized for election day registration in section 201.061, subdivision 3, paragraph (a), clause (2); clause (3), item (ii); or paragraph (d). If the address on the affidavit and the documentation do not match, the filing officer must not accept the affidavit. The form for the affidavit of candidacy must allow the candidate to request, if eligible, that the candidate's address of residence be classified as private data, and to provide the certification required under paragraph (c) for classification of that address.
- (b) If an affidavit for an office where a residency requirement must be satisfied by the close of the filing period is filed as provided by paragraph (c), the filing officer must, within one business day of receiving the filing, determine whether the address provided in the affidavit of candidacy is within the area represented by the office the candidate is seeking. For all other candidates who filed for an office whose residency requirement must be satisfied by the close of the filing period, a registered voter in this state may request in writing that the filing officer receiving the affidavit of candidacy review the address as provided in this paragraph, at any time up to one day after the last day for filing for office. If requested, the filing officer must determine whether the address provided in the affidavit of candidacy is within the area represented by the office the candidate is seeking. If the filing officer determines that the address is not within the area represented by the office, the filing officer must immediately notify the candidate and the candidate's name must be removed from the ballot for that office. A determination made by a filing officer under this paragraph is subject to judicial review under section 204B.44.
- (c) If the candidate requests that the candidate's address of residence be classified as private data, the candidate must list the candidate's address of residence on a separate form to be attached to the affidavit. The candidate must also certify on the affidavit that either: (1) a police report has been submitted, an order for protection has been issued, or the candidate has a reasonable fear in regard to the safety of the candidate or the candidate's family; or (2) the candidate's address is otherwise private pursuant to Minnesota law. The address of residence provided by a candidate who makes a request for classification on the candidate's affidavit of candidacy and provides the certification required by this paragraph is classified as private data, as defined in section 13.02, subdivision 12, but may be reviewed by the filing officer as provided in this subdivision.
- (d) The requirements of this subdivision do not apply to affidavits of candidacy for a candidate for: (1) judicial office; (2) the office of county attorney; or (3) county sheriff.

- Sec. 17. Minnesota Statutes 2023 Supplement, section 204B.09, subdivision 3, is amended to read:
- Subd. 3. **Write-in candidates.** (a) A candidate for county, state, or federal office who wants write-in votes for the candidate to be counted must file a written request with the filing office for the office sought not more than 84 days before the primary and no later than the seventh day before the general election. The filing officer shall provide copies of the form to make the request. The filing officer shall not accept a written request later than 5:00 p.m. on the last day for filing a written request.
- (b) The governing body of a statutory or home rule charter city may adopt a resolution governing the counting of write-in votes for local elective office. The resolution may:
- (1) require the candidate to file a written request with the chief election official no later than the seventh day before the city election if the candidate wants to have the candidate's write-in votes individually recorded; or
- (2) require that write-in votes for an individual candidate only be individually recorded if the total number of write-in votes for that office is equal to or greater than the fewest number of non-write-in votes for a ballot candidate.

If the governing body of the statutory or home rule charter city adopts a resolution authorized by this paragraph, the resolution must be adopted and the city clerk must notify the county auditor before the first day of filing for office. A resolution adopted under this paragraph remains in effect until a subsequent resolution on the same subject is adopted by the governing body of the statutory or home rule charter city.

- (c) The governing body of a township, school board district, hospital district, park district, soil and water district, or other ancillary elected district may adopt a resolution governing the counting of write-in votes for local elective office. The resolution may require that write-in votes for an individual candidate only be individually recorded if the total number of write-in votes for that office is equal to or greater than the fewest number of non-write-in votes for a ballot candidate. If a governing body adopts a resolution authorized by this paragraph, the resolution must be adopted and the clerk must notify the county auditor before the first day of filing for office. A resolution adopted under this paragraph remains in effect until a subsequent resolution on the same subject is adopted by the governing body.
- (d) A candidate for president of the United States who files a request under this subdivision must include the name of a candidate for vice president of the United States. The request must also include the name of at least one candidate for presidential elector. The total number of names of candidates for presidential elector on the request may not exceed the total number of electoral votes to be cast by Minnesota in the presidential election.
- (e) A candidate for governor who files a request under this subdivision must file jointly with another individual seeking nomination as a candidate for lieutenant governor. A candidate for lieutenant governor who files a request under this subdivision must file jointly with another individual seeking nomination as a candidate for governor.
  - Sec. 18. Minnesota Statutes 2023 Supplement, section 204B.16, subdivision 1, is amended to read:

Subdivision 1. **Authority; location.** (a) By December 31 of each year, the governing body of each municipality and of each county with precincts in unorganized territory must designate by ordinance or resolution any changes to a polling place location. A polling place must be maintained for the following calendar year unless changed in accordance with this paragraph, or:

- (1) by ordinance or resolution by December 31 of the previous year;
- (2) pursuant to section 204B.175;

- (3) (2) because a polling place has become unavailable;
- (4) (3) because a township designates one location for all state, county, and federal elections and one location for all township only elections; and or
  - (5) (4) pursuant to section 204B.14, subdivision 3.
- (b) Polling places must be designated and ballots must be distributed so that no one is required to go to more than one polling place to vote in a school district and municipal election held on the same day. The polling place for a precinct in a city or in a school district located in whole or in part in the metropolitan area defined by section 200.02, subdivision 24, shall be located within the boundaries of the precinct or within one mile of one of those boundaries unless a single polling place is designated for a city pursuant to section 204B.14, subdivision 2, or a school district pursuant to section 205A.11. The polling place for a precinct in unorganized territory may be located outside the precinct at a place which is convenient to the voters of the precinct. If no suitable place is available within a town or within a school district located outside the metropolitan area defined by section 200.02, subdivision 24, then the polling place for a town or school district may be located outside the town or school district within five miles of one of the boundaries of the town or school district.
  - Sec. 19. Minnesota Statutes 2023 Supplement, section 204B.295, subdivision 1, is amended to read:

Subdivision 1. **Duty.** The secretary of state or county auditor must <u>use the Office of Enterprise Translation established in section 16B.373 or must</u> contract with a translator certified by the American Translators Association to develop voting instructions and sample ballots in languages other than English, to be made available in polling places during elections as required by this section. At a minimum, the secretary of state must prepare voting instructions and make the instructions available in polling places in the three most commonly spoken non-English languages in the state as determined by the state demographer for the previous calendar year. For state elections, the secretary of state must prepare and provide example ballots to county auditors and post voting instructions in print, electronic, and audio-visual formats, on the secretary of state's website in at least the three most commonly spoken non-English languages in the state as determined by the state demographer for the previous calendar year.

### **EFFECTIVE DATE.** This section is effective June 1, 2024.

- Sec. 20. Minnesota Statutes 2023 Supplement, section 204B.295, subdivision 2, is amended to read:
- Subd. 2. **Designation of language minority districts.** No later than 90 days before an election By January 1 of each year, the secretary of state or county auditor, in consultation with the state demographer, must determine the percentage of residents in each census tract who are members of a language minority and who lack sufficient skills in English to vote without assistance. Language minority districts will be designated if three percent or more of the population in a corresponding census tract speak English "less than very well" according to the most recent census data. The secretary of state must maintain the list of designated language minority districts on its website. The state demographer must consider the identified margin of error in the census data when identifying census tracts. Designations made in January apply to elections for which absentee balloting begins on or after January 1 of each year and continue through the end of the calendar year.

# **EFFECTIVE DATE.** This section is effective June 1, 2024.

- Sec. 21. Minnesota Statutes 2023 Supplement, section 204B.295, subdivision 3, is amended to read:
- Subd. 3. **Translation required; interpreter required.** (a) If the number of residents determined under subdivision 2 equals three percent or more of a census tract, or if interested citizens or organizations provide information that gives the secretary of state or county auditor sufficient reason to believe a need exists, at least two

copies of the translated voting instructions and sample ballots must be provided to each precinct in that district during any regular or special state election conducted in that district. <u>If more than one language is represented in three percent or more of residents as determined in subdivision 2, translated materials must be provided in, at minimum, the highest determined language and any language representing three percent or more of a census tract.</u>

- (b) If the number of residents determined under subdivision 2 equals 20 percent or more of the population of a census tract, or if interested citizens or organizations provide information that gives the secretary of state or county auditor sufficient reason to believe a need exists, at least four copies of the translated voting instructions and sample ballots must be provided to each precinct in that district during any regular or special state election conducted in that district. If more than one language is represented in the 20 or more percent of residents as determined in subdivision 2, translated materials must be provided in, at minimum, the highest determined language and any language representing three percent or more of a census tract. In these precincts, the county auditor or municipal clerk must appoint at least one interpreter to translate in a specified language if ten or more registered voters in the precinct file a request for interpretive services for that language with the secretary of state or county auditor at least 30 days prior to the date of the election. This interpreter must wear a name tag or other badge indicating the interpreter's language certification. For purposes of section 204C.06 and any other applicable law, an interpreter appointed under this section is considered an election official and may be present in a polling place for the purpose of conducting duties assigned by the county auditor or municipal clerk.
- (c) The county auditor must maintain a list of the designated language minority districts on its website, including the precinct name, languages that materials will be provided in, and, if applicable, where interpreters will be provided and the language they speak. This list must be posted no later than 90 days after receiving language minority district designations under subdivision 2 and must be updated as it is determined that materials or interpreters will be provided for additional districts.

# **EFFECTIVE DATE.** This section is effective June 1, 2024.

- Sec. 22. Minnesota Statutes 2023 Supplement, section 204B.295, is amended by adding a subdivision to read:
- Subd. 5. Sample ballot format requirements. For the purposes of this section, sample ballots must accurately reflect the offices, candidates, and rotation sequence on the ballots used in that polling place. Sample ballots may deviate from other ballot formatting requirements to the extent required to accommodate the translated content.

## **EFFECTIVE DATE.** This section is effective June 1, 2024.

Sec. 23. Minnesota Statutes 2023 Supplement, section 204B.46, is amended to read:

### 204B.46 MAIL ELECTIONS; QUESTIONS.

A county, municipality, or school district submitting questions to the voters at a special election may conduct an election by mail with no polling place other than the office of the auditor or clerk. No offices may be voted on at a mail election, except in overlapping school and municipal jurisdictions, where a mail election may include an office when one of the jurisdictions also has a question on the ballot. Notice of the election must be given to the county auditor at least 74 84 days prior to the election. This notice shall also fulfill the requirements of Minnesota Rules, part 8210.3000. The special mail ballot procedures must be posted at least six weeks prior to the election. Not more than 46 nor later than 14 days prior to the election, the auditor or clerk shall mail ballots by nonforwardable mail to all voters registered in the county, municipality, or school district. No later than 14 days before the election, the auditor or clerk must make a subsequent mailing of ballots to those voters who register to vote after the initial mailing but before the 20th day before the election. Eligible voters not registered at the time the ballots are mailed may apply for ballots pursuant to chapter 203B. The auditor or clerk must appoint a ballot board to examine the mail and absentee ballot return envelopes and mark them "Accepted" or "Rejected" within three days of receipt if

there are 14 or fewer days before election day, or within five days of receipt if there are more than 14 days before election day. The board may consist of deputy county auditors, deputy municipal clerks, or deputy school district clerks who have received training in the processing and counting of mail ballots, who need not be affiliated with a major political party. Election judges performing the duties in this section must be of different major political parties, unless they are exempt from that requirement under section 205.075, subdivision 4, or section 205A.10. If an envelope has been rejected at least five days before the election, the ballots in the envelope must remain sealed and the auditor or clerk must provide the voter with a replacement ballot and return envelope in place of the spoiled ballot. If the ballot is rejected within five days of the election, the envelope must remain sealed and the official in charge of the ballot board must attempt to contact the voter by telephone or email to notify the voter that the voter's ballot has been rejected. The official must document the attempts made to contact the voter.

If the ballot is accepted, the county auditor or municipal clerk must mark the roster to indicate that the voter has already cast a ballot in that election. After the close of business on the 19th day before the election, the ballots from return envelopes marked "Accepted" may be opened, duplicated as needed in the manner provided by section 206.86, subdivision 5, initialed by the ballot board, and deposited in the appropriate ballot box.

In all other respects, the provisions of the Minnesota Election Law governing deposit and counting of ballots apply.

The mail and absentee ballots for a precinct must be counted together and reported as one vote total. No vote totals from ballots may be made public before the close of voting on election day.

Sec. 24. Minnesota Statutes 2022, section 204C.06, subdivision 1, is amended to read:

Subdivision 1. **Persons allowed near polling place.** An individual shall be allowed to go to and from the polling place for the purpose of voting without unlawful interference. No one except an election official or an individual who is waiting to register or to vote or an individual who is conducting exit polling shall stand within 100 feet of the building in which a polling place is located. "Exit polling" is defined as approaching voters in a predetermined pattern as they leave the polling place after they have voted and asking voters to fill out an anonymous, written questionnaire.

- Sec. 25. Minnesota Statutes 2022, section 204C.06, is amended by adding a subdivision to read:
- Subd. 1a. Exit polling. (a) "Exit polling" is defined as approaching voters in a predetermined pattern as they leave the polling place after they have voted and asking voters to fill out an anonymous, written questionnaire.
- (b) An individual conducting exit polling must present photo identification to the head judge upon arrival at the polling place, along with a letter or credential from the news media.
- (c) A person must not conduct exit polling in a manner that unlawfully interferes with a person going to or from the polling place or allows any person to view another person's responses to the poll.
  - Sec. 26. Minnesota Statutes 2022, section 204C.19, subdivision 3, is amended to read:
- Subd. 3. **Premature disclosure of count results.** No count results from any precinct shall be disclosed by any election judge or other individual until all count results from that precinct are available, nor shall the public media disclose any count results from any precinct before the time when voting is scheduled to end in the state. Count results from absentee ballots received by the county after 3:00 p.m. on election day may be added to the total count results after the initial results reporting of the precinct. If the precinct results do not include all absentee ballots, the county must report to the secretary of state and on the county's website the number of absentee ballots remaining to be processed. After processing the remaining ballots, the county must post on the county's website how many of the remaining ballots were accepted and added to the totals and how many were rejected and therefore not counted.

Sec. 27. Minnesota Statutes 2022, section 204C.20, subdivision 1, is amended to read:

Subdivision 1. **Determination of proper number.** The election judges shall determine the number of ballots to be counted by adding the number of return envelopes from accepted absentee ballots to tallying the number of signed voter's certificates, or to the number of names entered in the election register. The election judges shall then remove all the ballots from the box. Without considering how the ballots are marked, the election judges shall ascertain that each ballot is separate and shall count them to determine whether the number of ballots in the box corresponds with the number of ballots to be counted.

# **EFFECTIVE DATE.** This section is effective June 1, 2024.

- Sec. 28. Minnesota Statutes 2022, section 204C.20, is amended by adding a subdivision to read:
- Subd. 5. Precincts with ballot tabulators. In precincts using ballot tabulators, once the final count of ballots agrees with the number of ballots to be counted, election judges must immediately prepare the summary statement in accordance with section 204C.24 and seal the ballots in accordance with section 204C.25 for return to the county auditor.

### **EFFECTIVE DATE.** This section is effective June 1, 2024.

Sec. 29. Minnesota Statutes 2023 Supplement, section 204C.24, subdivision 1, is amended to read:

Subdivision 1. **Information requirements.** Precinct summary statements shall be submitted by the election judges in every precinct. For all elections, the election judges shall complete three or more copies of the summary statements, and each copy shall contain the following information for each kind of ballot:

- (1) the number of ballots delivered to the precinct as adjusted by the actual count made by the election judges, the number of unofficial ballots made, and the number of absentee ballots delivered to the precinct;
- (2) the number of votes each candidate received or the number of yes and no votes on each question, the number of undervotes, the number of overvotes, and the number of defective ballots with respect to each office or question;
- (3) the number of spoiled ballots, the number of duplicate ballots made, the number of absentee ballots rejected, and the number of unused ballots, presuming that the total count provided on each package of unopened prepackaged ballots is correct;
- (4) the number of voted ballots indicating only a voter's choices as provided by section 206.80, paragraph (b), clause (2), item (ii), in precincts that use an assistive voting device that produces this type of ballot;
- (5) the number of individuals who voted at the election in the precinct which must equal the total number of ballots cast in the precinct, as required by sections 204C.20 and 206.86, subdivision 1;
  - (6) the number of voters registering on election day in that precinct;
- (7) the signatures of the election judges who counted the ballots certifying that all of the ballots cast were properly piled, checked, and counted; and that the numbers entered by the election judges on the summary statements correctly show the number of votes cast for each candidate and for and against each question;
  - (8) the number of election judges that worked in that precinct on election day; and
  - (9) the number of voting booths used in that precinct on election day.

At least two copies of the summary statement must be prepared for elections not held on the same day as the state elections.

Sec. 30. Minnesota Statutes 2022, section 204C.33, subdivision 1, is amended to read:

Subdivision 1. **County canvass.** The county canvassing board shall meet at the county auditor's office between the third and tenth eighth days following the state general election. After taking the oath of office, the board shall promptly and publicly canvass the general election returns delivered to the county auditor. Upon completion of the canvass, the board shall promptly prepare and file with the county auditor a report which states:

- (a) the number of individuals voting at the election in the county and in each precinct;
- (b) the number of individuals registering to vote on election day and the number of individuals registered before election day in each precinct;
- (c) the names of the candidates for each office and the number of votes received by each candidate in the county and in each precinct;
  - (d) the number of votes counted for and against a proposed change of county lines or county seat; and
- (e) the number of votes counted for and against a constitutional amendment or other question in the county and in each precinct.

The result of write-in votes cast on the general election ballots must be compiled by the county auditor before the county canvass, except that write-in votes for a candidate for federal, state, or county office must not be counted unless the candidate has timely filed a request under section 204B.09, subdivision 3. The county auditor shall arrange for each municipality to provide an adequate number of election judges to perform this duty or the county auditor may appoint additional election judges for this purpose. The county auditor may open the envelopes or containers in which the voted ballots have been sealed in order to count and record the write-in votes and must reseal the voted ballots at the conclusion of this process. The county auditor must prepare a separate report of votes received by precinct for write-in candidates for federal, state, and county offices who have requested under section 204B.09 that votes for those candidates be tallied.

Upon completion of the canvass, the county canvassing board shall declare the candidate duly elected who received the highest number of votes for each county and state office voted for only within the county. The county auditor shall transmit a certified copy of the county canvassing board report for state and federal offices to the secretary of state by messenger, express mail, or similar service immediately upon conclusion of the county canvass.

- Sec. 31. Minnesota Statutes 2023 Supplement, section 204C.33, subdivision 3, is amended to read:
- Subd. 3. **State canvass.** The State Canvassing Board shall meet at a public meeting space located in the Capitol complex area on the third Tuesday 16th day following the state general election to canvass the certified copies of the county canvassing board reports received from the county auditors and shall prepare a report that states:
  - (1) the number of individuals voting in the state and in each county;
  - (2) the number of votes received by each of the candidates, specifying the counties in which they were cast; and
- (3) the number of votes counted for and against each constitutional amendment, specifying the counties in which they were cast.

### If the 16th day falls on a state holiday, the canvassing board shall meet on the next business day.

All members of the State Canvassing Board shall sign the report and certify its correctness. Within three days after completing the canvass, the State Canvassing Board shall declare the result and declare the candidates duly elected who received the highest number of votes for each federal office and for each state office voted on in more than one county.

Sec. 32. Minnesota Statutes 2022, section 204C.35, subdivision 1, is amended to read:

Subdivision 1. **Publicly funded recounts.** (a) In a state primary when the difference between the votes cast for the candidates for nomination to:

- (1) a state legislative office is less than one-half of one percent of the total number of votes counted for that nomination or is ten votes or less and the total number of votes cast for the nomination is 400 votes or less; or
- (2) a statewide federal office, state constitutional office, statewide judicial office, congressional office, or district judicial office is less than one-quarter of one percent of the total number of votes counted for that nomination or is ten votes or less and the total number of votes cast for the nomination is 400 votes or less:

and the difference determines the nomination, the canvassing board with responsibility for declaring the results for that office shall manually recount the vote upon receiving a written request from the candidate whose nomination is in question.

Immediately following the meeting of the board that has responsibility for canvassing the results of the nomination, the filing officer must notify the candidate that the candidate has the option to request a recount of the votes at no cost to the candidate. This written request must be received by the filing officer no later than 5:00 p.m. on the second day after the canvass of the primary for which the recount is being sought.

- (b) In a state general election when the difference between the votes of a candidate who would otherwise be declared elected to:
- (1) a state legislative office is less than one-half of one percent of the total number of votes counted for that office or is ten votes or less and the total number of votes cast for the office is 400 votes or less; or
- (2) a statewide federal office, state constitutional office, statewide judicial office, congressional office, or district judicial office and the votes of any other candidate for that office is less than one-quarter of one percent of the total number of votes counted for that office or is ten votes or less if the total number of votes cast for the office is 400 votes or less.

the canvassing board shall manually recount the votes upon receiving a written request from the candidate whose election is in question.

Immediately following the meeting of the board that has responsibility for canvassing the results of the general election, the filing officer must notify the candidate that the candidate has the option to request a recount of the votes at no cost to the candidate. This Except as provided in subdivision 2b, the written request must be received by the filing officer no later than 5:00 p.m. on the second day after the canvass of the election for which the recount is being sought.

- (c) A recount must not delay any other part of the canvass. The results of the recount must be certified by the canvassing board as soon as possible.
- (d) Time for notice of a contest for an office which is recounted pursuant to this section shall begin to run upon certification of the results of the recount by the canvassing board.

- Sec. 33. Minnesota Statutes 2022, section 204C.35, subdivision 2, is amended to read:
- Subd. 2. **Discretionary candidate recounts.** (a) A losing candidate whose name was on the ballot for nomination or election to a statewide federal office, state constitutional office, statewide judicial office, congressional office, state legislative office, or district judicial office may request a recount in a manner provided in this section at the candidate's own expense when the vote difference is greater than the difference required by this section. The votes shall be manually recounted as provided in this section if the candidate files a request during the time for filing notice of contest of the primary or election for which a recount is sought.
- (b) The requesting candidate shall file with the filing officer a bond, cash, or surety in an amount set by the filing officer for the payment of the recount expenses. The requesting candidate is responsible for the following expenses: the compensation of the secretary of state, or designees, and any election judge, municipal clerk, county auditor, administrator, or other personnel who participate in the recount; necessary supplies and travel related to the recount; the compensation of the appropriate canvassing board and costs of preparing for the canvass of recount results; and any attorney fees incurred in connection with the recount by the governing body responsible for the recount.
- (c) A discretionary recount of a primary must not delay delivery of the notice of nomination to the winning candidate under section 204C.32.
- (d) The requesting candidate may provide the filing officer with a list of up to three precincts that are to be recounted first and may waive the balance of the recount after these precincts have been counted. If the candidate provides a list, the recount official must determine the expenses for those precincts in the manner provided by paragraph (b).
  - (e) The results of the recount must be certified by the canvassing board as soon as possible.
- (f) If the winner of the race is changed by the optional recount, the cost of the recount must be paid by the jurisdiction conducting the recount.
- (g) If a result of the vote counting in the manual recount is different from the result of the vote counting reported on election day by a margin greater than the standard for acceptable performance of voting systems provided in section 206.89, subdivision 4, two votes and greater than one-quarter of one percent of the number of ballots counted, the cost of the recount must be paid by the jurisdiction conducting the recount.
  - Sec. 34. Minnesota Statutes 2022, section 204C.35, is amended by adding a subdivision to read:
- Subd. 2b. Recount for presidential electors. Any request for recount for the election of presidential electors, whether publicly funded or discretionary, must be made by 5 p.m. on the day after the canvass is completed. Any recount of votes under this section for the election of presidential electors must be completed and certified by the canvassing board no later than six days after the recount is requested.
  - Sec. 35. Minnesota Statutes 2022, section 204C.36, subdivision 2, is amended to read:
- Subd. 2. **Discretionary candidate recounts.** (a) A losing candidate for nomination or election to a county, municipal, or school district office may request a recount in the manner provided in this section at the candidate's own expense when the vote difference is greater than the difference required by subdivision 1, paragraphs (a) to (e). The votes shall be manually recounted as provided in this section if the requesting candidate files with the county auditor, municipal clerk, or school district clerk a bond, cash, or surety in an amount set by the governing body of the jurisdiction or the school board of the school district for the payment of the recount expenses.

- (b) The requesting candidate may provide the filing officer with a list of up to three precincts that are to be recounted first and may waive the balance of the recount after these precincts have been counted. If the candidate provides a list, the recount official must determine the expenses for those precincts in the manner provided by paragraph (b).
- (c) A discretionary recount of a primary must not delay delivery of the notice of nomination to the winning candidate under section 204C.32.
  - (d) The results of the recount must be certified by the canvassing board as soon as possible.
- (e) If the winner of the race is changed by the optional recount, the cost of the recount must be paid by the jurisdiction conducting the recount.
- (f) If a result of the vote counting in the manual recount is different from the result of the vote counting reported on election day by a margin greater than the standard for acceptable performance of voting systems provided in section 206.89, subdivision 4 two votes and greater than one-quarter of one percent of the number of ballots recounted, the cost of the recount must be paid by the jurisdiction conducting the recount.
  - Sec. 36. Minnesota Statutes 2022, section 204C.36, subdivision 3, is amended to read:
- Subd. 3. Discretionary ballot question recounts. A recount may be conducted for a ballot question when the difference between the votes for and the votes against the question is less than or equal to the difference provided in subdivision 1. A recount for a ballot question may be requested by any person eligible to vote on the ballot question. A written request for a recount must be filed with the filing officer of the county, municipality, or school district placing the question on the ballot and must be accompanied by a petition containing the signatures of 25 voters eligible to vote on the question. Upon receipt of a written request when the difference between the votes for and the votes against the question and the number required for passage is less than or equal to the difference provided in subdivision 1, the county auditor shall recount the votes for a county question at the expense of the county, the governing body of the municipality shall recount the votes for a municipal question at the expense of the municipality, and the school board of the school district shall recount the votes for a school district question at the expense of the school district. If the difference between the votes for and the votes against the question and the number required for passage is greater than the difference provided in subdivision 1, the person requesting the recount shall also file with the filing officer of the county, municipality, or school district a bond, cash, or surety in an amount set by the appropriate governing body for the payment of recount expenses. The written request, petition, and any bond, cash, or surety required must be filed during the time for notice of contest for the election for which the recount is requested.
  - Sec. 37. Minnesota Statutes 2022, section 205.10, subdivision 6, is amended to read:
- Subd. 6. **Cancellation.** A special election ordered by the governing body of the municipality on its own motion under subdivision 1 may be canceled by motion of the governing body, but not less than 74 <u>84</u> days before the election.
  - Sec. 38. Minnesota Statutes 2023 Supplement, section 205.16, subdivision 2, is amended to read:
- Subd. 2. **Sample ballot, publication.** For every municipal election <u>not held in conjunction with a statewide election</u>, the municipal clerk must, at least two weeks before the election, publish a notice to voters pursuant to section 204D.16 in the official newspaper of the municipality, except that the governing body of a fourth class city or a town not located within a metropolitan county as defined in section 473.121 may dispense with publication.

- Sec. 39. Minnesota Statutes 2022, section 205.16, subdivision 4, is amended to read:
- Subd. 4. **Notice to auditor.** At least 74 <u>84</u> days before every municipal election, the municipal clerk shall provide a written notice to the county auditor, including the date of the election, the offices to be voted on at the election, and the title and language for each ballot question to be voted on at the election. At least 74 <u>84</u> days before every municipal election, the municipal clerk must provide written notice to the county auditor of any special election canceled under section 205.10, subdivision 6.
  - Sec. 40. Minnesota Statutes 2022, section 205.16, subdivision 5, is amended to read:
- Subd. 5. **Notice to secretary of state.** At least 74 <u>84</u> days before every municipal election for which a notice is provided to the county auditor under subdivision 4, the county auditor shall provide a notice of the election to the secretary of state, in a manner and including information prescribed by the secretary of state.
  - Sec. 41. Minnesota Statutes 2022, section 205A.05, subdivision 3, is amended to read:
- Subd. 3. **Cancellation.** A special election ordered by the school board on its own motion under subdivision 1 may be canceled by motion of the school board, but not less than 74 84 days before an any election held in conjunction with a regularly scheduled election for federal, state, county, city, or school board office or a special election for federal office, or 46 days before any other election.
  - Sec. 42. Minnesota Statutes 2022, section 205A.07, subdivision 3, is amended to read:
- Subd. 3. **Notice to auditor.** At least 74 <u>84</u> days before every school district election, the school district clerk shall provide a written notice to the county auditor of each county in which the school district is located. The notice must include the date of the election, the offices to be voted on at the election, and the title and language for each ballot question to be voted on at the election. For the purposes of meeting the timelines of this section, in a bond election, a notice, including a proposed question, may be provided to the county auditor before receipt of a review and comment from the commissioner of education and before actual initiation of the election. At least 74 <u>84</u> days before every school district election, the school district clerk must provide written notice to the county auditor of any special election canceled under section 205A.05, subdivision 3.
  - Sec. 43. Minnesota Statutes 2022, section 205A.07, subdivision 3b, is amended to read:
- Subd. 3b. **Notice to secretary of state.** At least 74 <u>84</u> days before every school district election for which a notice is provided to the county auditor under subdivision 3, the county auditor shall provide a notice of the election to the secretary of state, in a manner and including information prescribed by the secretary of state.
  - Sec. 44. Minnesota Statutes 2022, section 205A.11, subdivision 2, is amended to read:
- Subd. 2. **Combined polling place.** (a) When no other election is being held in a school district, the school board may designate combined polling places at which the voters in those precincts may vote in the school district election.
- (b) By December 31 of each year, the school board must designate, by resolution, <u>any changes to</u> combined polling places. The combined polling places designated in the resolution are the polling places for the following calendar year, unless a change is made <u>in accordance with this paragraph or</u>:
  - (1) pursuant to section 204B.175; or
  - (2) because a polling place has become unavailable.

- (c) If the school board designates combined polling places pursuant to this subdivision, polling places must be designated throughout the district, taking into account both geographical distribution and population distribution. A combined polling place must be at a location designated for use as a polling place by a county or municipality.
- (d) In school districts that have organized into separate board member election districts under section 205A.12, a combined polling place for a school general election must be arranged so that it does not include more than one board member election district.
  - Sec. 45. Minnesota Statutes 2023 Supplement, section 206.61, subdivision 1, is amended to read:
- Subdivision 1. **Official responsible for providing ballots.** (a) The official charged with providing paper ballots when they are used shall provide all ballot cards, sample ballots, precinct summary statements, and other necessary supplies needed for electronic voting systems, except as otherwise provided by this section.
- (b) At general elections and primaries the county auditor of each county in which an electronic voting system is used shall provide all ballot cards and other necessary printed forms and supplies needed for the electronic voting system, including all forms needed for voting on candidates and questions, the ballots for which are required by the election laws to be provided by the state when paper ballots are used.
- (c) In precincts using a ballot format as provided by section 206.80, paragraph (b), clause (2), item (ii), voters must be provided the option of voting with a regularly printed optical scan ballot or paper ballot in precincts that hand count ballots.
  - Sec. 46. Minnesota Statutes 2022, section 206.89, subdivision 2, is amended to read:
- Subd. 2. **Selection for review; notice.** At the canvass of the state primary, the county canvassing board in each county must set the date, time, and place for the postelection review of the state general election to be held under this section. The postelection review must not begin before the 11th ninth day after the state general election and must be complete no later than the 18th 14th day after the state general election.

At the canvass of the state general election, the county canvassing boards must select the precincts to be reviewed by lot. The ballots to be reviewed for a precinct include both the ballots counted at the polling place for that precinct and the absentee ballots counted centrally by a ballot board for that precinct. The county canvassing board of a county with fewer than 50,000 registered voters must conduct a postelection review of a total of at least two precincts. The county canvassing board of a county with between 50,000 and 100,000 registered voters must conduct a review of a total of at least three precincts. The county canvassing board of a county with over 100,000 registered voters must conduct a review of a total of at least four precincts, or three percent of the total number of precincts in the county, whichever is greater. At least one precinct selected in each county must have had more than 150 votes cast at the general election.

The county auditor must notify the secretary of state of the precincts that have been chosen for review and the time and place the postelection review for that county will be conducted, as soon as the decisions are made. If the selection of precincts has not resulted in the selection of at least four precincts in each congressional district, the secretary of state may require counties to select by lot additional precincts to meet the congressional district requirement. The secretary of state must post this information on the office website.

- Sec. 47. Minnesota Statutes 2022, section 206.89, subdivision 3, is amended to read:
- Subd. 3. **Scope and conduct of review.** The county canvassing board shall appoint the postelection review official as defined in subdivision 1. The postelection review must be conducted of the votes cast for president or governor; United States senator; and United States representative. The postelection review official may conduct postelection review of the votes cast for additional offices.

The postelection review must be conducted in public at the location where the voted ballots have been securely stored after the state general election or at another location chosen by the county canvassing board. The postelection review official for each precinct selected must conduct the postelection review and may be assisted by election judges designated by the postelection review official for this purpose. The party balance requirement of section 204B.19 applies to election judges designated for the review. The postelection review must consist of a manual count of the ballots used in the precincts selected and must be performed in the manner provided by section 204C.21. The postelection review must be conducted in the manner provided for recounts under section 204C.361 to the extent practicable. The review must be completed no later than two days one day before the meeting of the state canvassing board to certify the results of the state general election.

- Sec. 48. Minnesota Statutes 2022, section 206.89, subdivision 5, is amended to read:
- Subd. 5. **Additional review.** (a) If the postelection review in one of the reviewed precincts reveals a difference greater than the thresholds specified in subdivision 4, the postelection review official must, within two days one day, conduct an additional review of the races indicated in subdivision 3 in at least three precincts in the same jurisdiction where the discrepancy was discovered. If all precincts in that jurisdiction have been reviewed, the county auditor must immediately publicly select by lot at least three additional precincts for review. The postelection review official must complete the additional review within two days one day after the precincts are selected and report the results immediately to the county auditor. If the second review in any of the reviewed precincts also indicates a difference in the vote totals compiled by the voting system that is greater than the thresholds specified in subdivision 4, the county auditor must conduct a review of the ballots from all the remaining precincts in the county for the races indicated in subdivision 3. This review must be completed and the results must be reported to the secretary of state within one week six days after the second review was completed.
- (b) If the results from the countywide reviews from one or more counties comprising in the aggregate more than ten percent of the total number of persons voting in the election clearly indicate that an error in vote counting has occurred, the secretary of state must notify the postelection review official of each county in the district that they must conduct manual recounts of all the ballots in the district for the affected office using the procedure outlined in section 204C.35. The recount must be completed and the results reported to the appropriate canvassing board within two weeks one week after the postelection review official received notice from the secretary of state.
  - Sec. 49. Minnesota Statutes 2022, section 206.89, subdivision 6, is amended to read:
- Subd. 6. **Report of results.** Upon completion of the postelection review, the postelection review official must immediately report the results to the county auditor. The county auditor must then immediately submit the results of the postelection review electronically or in writing to the secretary of state not later than two days one day before the State Canvassing Board meets to canvass the state general election. The secretary of state shall report the results of the postelection review at the meeting of the State Canvassing Board to canvass the state general election.
  - Sec. 50. Minnesota Statutes 2022, section 208.06, is amended to read:

# 208.06 ELECTORS AND ALTERNATES TO MEET AT STATE CAPITOL.

The presidential electors and alternate presidential electors, before 12:00 M. on the day before that fixed by Congress for the electors to vote for president and vice president of the United States, shall notify the governor that they are at the State Capitol and ready at the proper time to fulfill their duties as electors. The governor or the governor's designee shall deliver to the electors present a certificate of the names of all the electors. The electors shall meet at 12:00 p.m. in the executive chamber of the State Capitol and unless the governor determines that location to be impracticable and directs the electors to meet at a different location. The governor must alert members of the Capitol Press Corps of the location where the electors will meet. The electors shall perform all the duties imposed upon them as electors by the Constitution and laws of the United States and this state in the manner provided in section 208.46.

Sec. 51. Minnesota Statutes 2022, section 208.44, is amended to read:

### 208.44 CERTIFICATION OF ELECTORS.

In submitting this state's certificate of ascertainment as required by United States Code, title 3, section 65, the governor shall certify this state's electors and state in the certificate that:

- (1) the electors will serve as electors unless a vacancy occurs in the office of elector before the end of the meeting at which elector votes are cast, in which case a substitute elector will fill the vacancy; and
- (2) if a substitute elector is appointed to fill a vacancy, the governor will submit an amended certificate of ascertainment stating the names on the final list of this state's electors.
  - Sec. 52. Minnesota Statutes 2022, section 208.47, is amended to read:

## 208.47 ELECTOR REPLACEMENT; ASSOCIATED CERTIFICATES.

- (a) After the vote of this state's electors is completed, if the final list of electors differs from any list that the governor previously included on a certificate of ascertainment prepared and transmitted under United States Code, title 3, section 65, the secretary of state immediately shall prepare an amended certificate of ascertainment and transmit it to the governor for the governor's signature.
- (b) The governor immediately shall deliver the signed amended certificate of ascertainment to the secretary of state and a signed duplicate original of the amended certificate of ascertainment to all individuals entitled to receive this state's certificate of ascertainment, indicating that the amended certificate of ascertainment is to be substituted for the certificate of ascertainment previously submitted.
- (c) The secretary of state shall prepare a certificate of vote. The electors on the final list shall sign the certificate. The secretary of state shall process and transmit the signed certificate with the amended certificate of ascertainment under United States Code, title 3, sections 9, 10, and 11.
  - Sec. 53. Minnesota Statutes 2022, section 209.01, subdivision 2, is amended to read:
- Subd. 2. **Statewide office.** For purposes of this chapter, "statewide office" means the office of governor, lieutenant governor, attorney general, state auditor, secretary of state, chief justice or associate justice of the supreme court, judge of the court of appeals, <u>or</u> United States senator<del>, or presidential elector or alternate</del>.

#### Sec. 54. [209A.01] **DEFINITIONS.**

The definitions in chapter 200 apply to this chapter.

### Sec. 55. [209A.02] CONTESTANT; GROUNDS.

Any eligible voter, including a candidate, wishing to contest the election of the presidential elector or alternate in the courts of this state whether over an irregularity in the conduct of an election or canvass of votes, over the question of who received the largest number of votes legally cast, on the grounds of deliberate, serious, and material violations of Minnesota election law, or on any other ground must do so according to this chapter.

# Sec. 56. [209A.03] NOTICE OF CONTEST.

Subdivision 1. Manner; time; contents. Service of a notice of contest must be made in the same manner as the service of summons in civil actions. The notice of contest must specify the grounds on which the contest will be made. The contestant shall serve notice of the contest on the parties enumerated in this section. Notice must be served and filed on or before 5:00 p.m. one day after the canvass is completed, except that if the election is being recounted pursuant to section 204C.35, the time for notice of a contest shall begin to run upon certification of the results of the recount by the canvassing board.

- <u>Subd. 2.</u> <u>Notice filed with court.</u> The contestant shall file the notice of contest under this section with the <u>supreme court.</u>
- Subd. 3. Notice served on parties. The notice of contest must be served on all candidates for the office and on any other party as required by the court. A copy must also be furnished to the governor and secretary of state. If personal or substituted service on any party cannot be made, an affidavit of the attempt by the person attempting to make service and the affidavit of the person who sent a copy of the notice to the contestee by certified mail are sufficient to confer jurisdiction upon the court to decide the contest.

### Sec. 57. [209A.04] CONTESTEE'S ANSWER.

Subdivision 1. Contest of vote count. If a notice of contest questions only which of the parties to the contest received the highest number of votes legally cast at the election, the contestee need not file an answer, unless the contestee desires to raise issues not specified in the notice of contest.

Subd. 2. Other contests. For all other election contests the contestee's answer to the notice of contest must be filed and served on all candidates for the office and on any other party as required by the court. A copy must also be furnished to the governor and secretary of state. The answer must so far as practicable conform to the rules for pleading in civil actions. Service and filing of the answer must be made two days after service of the notice of contest. The contestee's answer must be served in the same manner as the answer in a civil action or in the manner the court may order. Any other notices must be served in the manner and within the times the court may order.

### Sec. 58. [209A.05] VENUE.

The court for the election contest of presidential electors shall be the supreme court.

# Sec. 59. [209A.06] GUARDING AND INSPECTING THE BALLOTS.

The provisions of sections 209.05 and 209.06 apply to election contests filed under this section. The chief justice of the supreme court shall appoint any inspectors required under this section.

### Sec. 60. [209A.07] PLEADINGS; PROCEDURE.

The notice of contest and any answer are the pleadings in the case and may be amended in the discretion of the supreme court. The contest proceedings must be brought as soon as practicable. The court shall proceed in the manner provided for the trial of civil actions so far as practicable, but must issue its decision at least one day before the deadline to submit the certificate of ascertainment as required under the laws of the United States.

### Sec. 61. [209A.08] RESULTS OF CONTEST.

Subdivision 1. Generally. When the court decides an election contest under this chapter, the court may invalidate and revoke any election certificate which has been issued to a presidential elector. If the contest involved an error in the counting of ballots, the official authorized to issue the certificate of election shall issue the certificate

to the person entitled to it, but if a contestant succeeds in a contest where there is no question as to which of the candidates received the highest number of votes cast at the election, the contestant is not, by reason of the disqualification of the contestee, entitled to the certificate of election.

- Subd. 2. **Defective ballots.** In a contested election, if the court decides that a serious and material defect in the ballots used changed the outcome of the election, the election must be declared invalid.
- Subd. 3. Costs of contest. If the contestee succeeds, costs of the contest must be paid by the contestant. If the contestant succeeds, costs of the contest must be paid by the contestee, except that if the contestee loses because of an error in the counting of ballots or canvass of the returns or because of any other irregularity in the election procedure, costs must be paid, in the discretion of the judge, by the election jurisdictions responsible for errors which resulted in the reversal of the prior results of the election.
  - Sec. 62. Minnesota Statutes 2023 Supplement, section 211B.076, subdivision 4, is amended to read:
- Subd. 4. **Dissemination of personal information about an election official.** (a) A person may not knowingly and without consent make publicly available, including but not limited to through the Internet, personal information about an election official or an election official's family or household member if:
- (1) the <u>dissemination public availability of information</u> poses an imminent and serious threat to the official's safety or the safety of an official's family or household member; and
- (2) the person making the information publicly available knows or reasonably should know of any imminent and serious threat.
- (b) As used in this subdivision, "personal information" means the <u>a</u> home telephone number, personal cell <u>number</u>, personal email address, name of the official's minor child, photographs of the official's minor child, home address of the election official or a member of an election official's family, directions to that <u>a</u> home, or photographs of that <u>a</u> home.

### **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to crimes committed on or after that date.

Sec. 63. Minnesota Statutes 2022, section 211B.17, subdivision 1, is amended to read:

Subdivision 1. **Forfeiture of nomination or office.** Except as provided in subdivision 2, if a candidate is found guilty of violating this chapter or section 609.771 or an offense was committed by another individual with the knowledge, consent, or connivance of the candidate, the court, after entering the adjudication of guilty, shall enter a supplemental judgment declaring that the candidate has forfeited the nomination or office. If the court enters the supplemental judgment, it shall transmit to the filing officer a transcript of the supplemental judgment, the nomination or office becomes vacant, and the vacancy must be filled as provided by law.

# **EFFECTIVE DATE.** This section is effective July 1, 2024, and applies to crimes committed on or after that date.

Sec. 64. Minnesota Statutes 2022, section 211B.18, is amended to read:

### 211B.18 DISQUALIFIED CANDIDATE NOT TO HOLD VARIOUS POSITIONS.

A candidate whose election to office has been set aside for a violation of this chapter or section 609.771 may not be appointed, during the period fixed by law as the term of the office, to fill a vacancy in that office. A candidate or other individual who is convicted of a violation of this chapter or section 609.771 may not be appointed, during the

period fixed by law as the term of the office with respect to which the election was held and the offense was committed, to fill a vacancy that may occur in the office. An appointment to an office made contrary to the provisions of this section is void.

A candidate or other individual who is convicted of a violation of this chapter <u>or section 609.771</u> is not qualified, during the period fixed by law as the term of the office with respect to which the election was held and the offense was committed, to fill a vacancy in an office for which the legislature may establish qualifications under article XII, section 3, of the Minnesota Constitution.

### **EFFECTIVE DATE.** This section is effective July 1, 2024, and applies to crimes committed on or after that date.

- Sec. 65. Minnesota Statutes 2023 Supplement, section 243.205, is amended by adding a subdivision to read:
- <u>Subd. 3a.</u> <u>Form of notice.</u> The notice required by subdivision 2 must include all of the following information:
- (1) the statement "Your right to vote has been restored.";
- (2) a statement that says the person is eligible to vote if the person meets the eligibility requirements;
- (3) a list of the eligibility requirements to vote;
- (4) a statement that a voter registration application is attached to the notice and information on all the ways to register to vote;
  - (5) information on where to find a list of documents to be used to provide current proof of residence:
- (6) the statement "If you violate the conditions of release, the commissioner may revoke your release after due process and reimprison you. If that occurs, your right to vote is lost again while you are in prison."; and
  - (7) information on where the person may find more information about voting rights.
  - Sec. 66. Minnesota Statutes 2022, section 358.645, subdivision 2, is amended to read:
  - Subd. 2. **Qualifications; registration required.** (a) A remote online notary public:
- (1) is a notary public for purposes of chapter 359 and is subject to and must be appointed and commissioned under that chapter;
- (2) may perform notarial acts as provided by this chapter and chapter 359 in addition to performing remote online notarizations; and
  - (3) may perform remote online notarizations authorized under this section.
- (b) A notary public commissioned in this state may apply for remote online notarization registration according to this section. Before a notary performs a remote online notarization, the notary must register the capability to perform notarial acts pursuant to section 358.645 with the secretary of state according to section 359.01, subdivision 5, and must certify that the notary intends to use communication technology that conforms to this section.
- (c) Unless terminated under this section, the term of registration to perform remote online notarial acts begins on the registration starting date set by the secretary of state and continues as long as the notary public's current commission to perform notarial acts remains valid.

- (d) Upon the applicant's fulfillment of the requirements for remote online notarization registration under this section, the secretary of state shall record the registration under the applicant's notary public commission number.
- (e) The secretary of state may reject a registration application if the applicant fails to comply with paragraphs (a) to (d). The commissioner of commerce may revoke a registration if the applicant fails to comply with subdivisions 2 to 6.
  - Sec. 67. Minnesota Statutes 2022, section 358.71, is amended to read:

### 358.71 DATABASE OF NOTARIES PUBLIC.

The secretary of state shall maintain an electronic database of notaries public:

- (1) through which a person may verify the authority of a notary public to perform notarial acts, including notarial acts pursuant to section 358.645; and to perform notarial acts on electronic records.
- (2) which indicates whether a notary public has applied to the commissioning officer or agency to perform notarial acts on electronic records or to perform notarial acts pursuant to section 358.645.
  - Sec. 68. Minnesota Statutes 2022, section 359.01, subdivision 5, is amended to read:
- Subd. 5. **Registration to perform electronic notarizations.** Before performing electronic notarial acts, a notary public shall register the capability to notarize electronically with the secretary of state. Before performing electronic notarial acts after recommissioning, a notary public shall reregister with the secretary of state. Unless terminated for any reason, the term of registration to perform electronic notarial acts begins on the registration starting date set by the secretary of state and continues as long as the notary public has a valid commission to perform notarial acts. The requirements of this chapter relating to electronic notarial acts do not apply to notarial acts performed under sections 358.15, paragraph (a), clause (4), and 358.60, subdivision 1, clause (2).
  - Sec. 69. Minnesota Statutes 2022, section 359.03, subdivision 3, is amended to read:
- Subd. 3. **Specifications.** (a) The official notarial stamp consists of the seal of the state of Minnesota, the name of the notary as it appears on the commission or the name of the ex officio notary, the words "Notary Public," or "Notarial Officer" in the case of an ex officio notary, and the words "My commission expires ................................ (or where applicable) My term is indeterminate," with the expiration date shown on it and must be able to be reproduced in any legibly reproducible manner. The official notarial stamp shall be a rectangular form of not more than three-fourths of an inch vertically by 2-1/2 inches horizontally, with a serrated or milled edge border, and shall contain the information required by this subdivision.
- (b) A notarial stamp that complied with these requirements at the time of issuance may continue to be used during the remainder of the current term of the notary even if changes to any of these requirements subsequently become effective.

# **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2024.

Sec. 70. Minnesota Statutes 2022, section 375.08, is amended to read:

### 375.08 BOARD TO FILL VACANCIES IN COUNTY OFFICES.

(a) Except as provided in paragraph (b) or section 375.081, when a vacancy occurs in the office of an elected county auditor, county treasurer, county recorder, sheriff, county attorney, county surveyor, or coroner, the county board shall must fill it by appointment at a regular or special meeting. For that purpose it shall meet at the usual

place of meeting, upon one day's notice from the chair or clerk, which shall be served personally upon each member in the same manner as a district court summons. The  $\underline{A}$  person appointed shall to a vacancy pursuant to this paragraph must give the bond and take the oath required by law, and serve the remainder of the term, and until a successor qualifies.

- (b) When a vacancy occurs in the office of sheriff or county attorney less than 84 days before the state primary in the year preceding the end of the term, the county board may fill the vacancy by appointment at a regular or special meeting. A person appointed to fill a vacancy pursuant to this paragraph serves only until the successor is elected. The person elected at the general election to the office for the ensuing term must take office immediately after receiving the certificate of election, filing the bond, and taking the oath of office.
- (c) When a vacancy occurs in an office that has a chief deputy or first assistant, the chief deputy or first assistant may perform all the duties and functions of the office until it is filled by appointment by the county board.

# Sec. 71. [375.081] VACANCY IN OFFICE OF SHERIFF OR COUNTY ATTORNEY; OPTIONAL SPECIAL ELECTION.

As an alternative to the appointment procedure provided in section 375.08, a vacancy in the office of sheriff or county attorney may be filled at a special election as provided in this section. The county board may, by resolution, call for a special election to be held on a date authorized by section 205.10, subdivision 3a. The person elected at the special election must take office immediately after receipt of the certificate of election and upon filing the bond and taking the oath of office and must serve the remainder of the unexpired term. This section does not apply to a vacancy that occurs less than 84 days before the state primary in the year preceding the end of the term.

- Sec. 72. Minnesota Statutes 2022, section 447.32, subdivision 3, is amended to read:
- Subd. 3. **Election notices.** At least two weeks before the first day to file affidavits of candidacy, the clerk of the district shall publish a notice stating the first and last day on which affidavits of candidacy may be filed, the places for filing the affidavits and the closing time of the last day for filing. The clerk shall post a similar notice in at least one conspicuous place in each city and town in the district at least ten days before the first day to file affidavits of candidacy.

At least 74 84 days prior to every hospital district election, the hospital district clerk shall provide a written notice to the county auditor of each county in which the hospital district is located. The notice must include the date of the election, the offices to be voted on at the election, and the title and language for each ballot question to be voted on at the election. The county auditor shall immediately provide a notice to the secretary of state in a manner and including information prescribed by the secretary of state.

The notice of each election must be posted in at least one public and conspicuous place within each city and town included in the district at least two weeks before the election. It must be published in the official newspaper of the district or, if a paper has not been designated, in a legal newspaper having general circulation within the district, at least two weeks before the election. Failure to give notice does not invalidate the election of an officer of the district. A voter may contest a hospital district election in accordance with chapter 209. Chapter 209 applies to hospital district elections.

# Sec. 73. [471.3422] WEBSITE DOMAIN REQUIREMENT FOR CERTAIN COUNTIES, CITIES, AND TOWNS.

(a) By June 1, 2026, every county and each municipality that administers absentee voting must use a .gov domain for the website address used by the county or municipality.

- (b) If a municipality subject to this section has applied for a .gov domain but has not fully transitioned to using a .gov domain by June 1, 2026, the municipality is not in violation of this section. Such a municipality is in violation of this section if the municipality has not fully transitioned to using a .gov domain by June 1, 2028.
  - Sec. 74. Minnesota Statutes 2022, section 609.5151, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** As used in this section:

- (1) "family or household member" has the meaning given in section 518B.01, subdivision 2;
- (2) "law enforcement official" means both peace officers as defined in section 626.84, subdivision 1, and persons employed by a law enforcement agency; and
- (3) "personal information" means a <u>home telephone number, personal cell number, personal email address, name of the official's minor child, photographs of the official's minor child, home address, directions to a home, or photographs of a home.</u>

### **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to crimes committed on or after that date.

- Sec. 75. Minnesota Statutes 2022, section 609.5151, subdivision 2, is amended to read:
- Subd. 2. **Crime described.** (a) It is a misdemeanor for a person to knowingly and without consent make publicly available, including but not limited to through the Internet, personal information about a law enforcement official or an official's family or household member, if:
- (1) the <u>dissemination public availability of information</u> poses an imminent and serious threat to the official's safety or the safety of an official's family or household member; and
- (2) the person making the information publicly available knows or reasonably should know of the imminent and serious threat.
- (b) A person is guilty of a gross misdemeanor if the person violates paragraph (a) and a law enforcement official or an official's family or household member suffers great bodily harm or death as a result of the violation.
- (c) A person who is convicted of a second or subsequent violation of this section is guilty of a gross misdemeanor.

### **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to crimes committed on or after that date.

- Sec. 76. Minnesota Statutes 2023 Supplement, section 609.771, subdivision 2, is amended to read:
- Subd. 2. Use of deep fake to influence an election; violation. (a) A person who disseminates a deep fake or enters into a contract or other agreement to disseminate a deep fake is guilty of a crime and may be sentenced as provided in subdivision 3 if the person knows or reasonably should know that acts with reckless disregard about whether the item being disseminated is a deep fake and dissemination:

### (1) takes place within 90 days before an election;

- (2) (1) is made without the consent of the depicted individual; and
- (3) (2) is made with the intent to injure a candidate or influence the result of an election; and

- (3) takes place either:
- (i) within 90 days before a political party nominating convention; or
- (ii) after the start of the absentee voting period prior to a presidential nomination primary, or a regular or special state or local primary or general election.
- (b) This subdivision does not apply to a broadcaster or cable television system that disseminates a deep fake produced by a candidate if the broadcaster's or cable television system's dissemination is required by federal law.
  - Sec. 77. Minnesota Statutes 2023 Supplement, section 609.771, subdivision 3, is amended to read:
- Subd. 3. Use of deep fake to influence an election; penalty. (a) A person convicted of violating subdivision 2 may be sentenced as follows:
- (1) if the person commits the violation within five years of one or more prior convictions under this section, to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both;
- (2) if the person commits the violation with the intent to cause violence or bodily harm, to imprisonment for not more than 364 days or to payment of a fine of not more than \$3,000, or both; or
  - (3) in other cases, to imprisonment for not more than 90 days or to payment of a fine of not more than \$1,000, or both.
- (b) In the case of a candidate for state or local office convicted of violating subdivision 2, the court must enter a supplemental judgment declaring that the candidate has forfeited the nomination or office in accordance with section 211B.17.
- (c) A candidate for state or local office or other individual convicted of violating subdivision 2 is disqualified from being appointed to that office or any other office for which the legislature may establish qualifications under the Minnesota Constitution, article XII, section 3, in accordance with section 211B.18.

## **EFFECTIVE DATE.** This section is effective July 1, 2024, and applies to crimes committed on or after that date.

- Sec. 78. Minnesota Statutes 2023 Supplement, section 609.771, subdivision 4, is amended to read:
- Subd. 4. **Injunctive relief.** A cause of action for injunctive <u>or equitable</u> relief may be maintained against any person who is reasonably believed to be about to violate or who is in the course of violating this section by:
  - (1) the attorney general;
  - (2) a county attorney or city attorney;
  - (3) the depicted individual; or
- (4) a candidate for nomination or election to a public office who is injured or likely to be injured by dissemination.

**EFFECTIVE DATE.** This section is effective July 1, 2024, and applies to acts committed on or after that date.

### Sec. 79. TRANSITION TO NEW VOTER REGISTRATION APPLICATIONS.

Notwithstanding the requirements of this act, a completed voter registration application submitted by a voter is not deficient for purposes of registering that voter if the application form was printed or provided to the voter prior to the effective date of any modification required by this act. Beginning on the effective date of a modification required by this act, an election official must not print or copy a blank voter registration application that does not include the required modification.

**EFFECTIVE DATE.** This section is effective June 1, 2024.

### Sec. 80. REVISOR INSTRUCTION.

The revisor of statutes must title Minnesota Statutes, chapter 209A, "Election Contests - Presidential Elections."

### Sec. 81. **REPEALER.**

- (a) Minnesota Statutes 2022, section 383B.031, is repealed.
- (b) Minnesota Statutes 2023 Supplement, section 243.205, subdivision 3, is repealed.

### ARTICLE 3 VOTING RIGHTS ACT

### Section 1. [200.50] MINNESOTA VOTING RIGHTS ACT.

Sections 200.50 to 200.59 may be cited as the "Minnesota Voting Rights Act."

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

## Sec. 2. [200.52] DEFINITIONS.

Subdivision 1. As used in sections 200.50 to 200.59, the terms as defined in this section have the meanings given.

- Subd. 2. Government official. "Government official" means any individual who is elected or appointed to an office in this state or a political subdivision or who is authorized to act in an official capacity on behalf of the state or a political subdivision.
- Subd. 3. Language minority group. "Language minority group" means a language minority group as that term is defined in the federal Voting Rights Act of 1965, as amended, as of the effective date of this act.
- Subd. 4. Method of election. (a) "Method of election" means the method by which candidates are elected to the legislative body of a political subdivision, and includes at-large method of election, district-based method of election, or any alternative method of election. Method of election also includes the districting or redistricting plan used to elect candidates to the legislative body of a political subdivision.
- (b) "At-large method of election" means a method of electing candidates to the legislative body of a political subdivision in which candidates are voted on by all voters of the political subdivision or that combines at-large with district-based methods of elections. At-large method of election does not include any alternative method of election.

- (c) "District-based method of election" means a method of electing candidates to the legislative body of a political subdivision in which, for political subdivisions divided into districts, a candidate for any district is required to reside in the district and candidates representing or seeking to represent the district are voted on by only the voters who reside in the district. District-based method of election does not include any alternative method of election.
- (d) "Alternative method of election" means a method of electing candidates to the legislative body of a political subdivision other than an at-large method of election or a district-based method of election and includes but is not limited to cumulative voting, limited voting, and proportional ranked choice voting.
  - Subd. 5. Political subdivision. "Political subdivision" means a county, city, town, or school district.
- <u>Subd. 6.</u> <u>Politically cohesive.</u> "Politically cohesive" means that members of a group tend to prefer the same candidates, electoral choices, or policies.
- Subd. 7. Protected class. "Protected class" means a class of citizens who are members of a racial, color, or language minority group, or who are members of a federally recognized Indian Tribe, including a class of two or more such groups.
- <u>Subd. 8.</u> **Polarized voting.** "Polarized voting" means voting in which the candidate or electoral choice preferred by a protected class diverges from the candidate or electoral choice preferred by other voters.
- Subd. 9. Vote; voting. "Vote" or "voting" includes any action necessary to cast a ballot and make that ballot count in any election, including but not limited to: registering to vote; applying for an absentee ballot; and any other action required by law as a prerequisite to casting a ballot and having that ballot counted, canvassed, certified, and included in the appropriate totals of votes cast with respect to an election.
- Subd. 10. **Voting eligible population.** "Voting eligible population" means those individuals who are eligible to register and vote, regardless of whether the individuals are registered to vote.

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

### Sec. 3. [200.53] CONSTRUCTION AND USE OF AUTHORITY.

A law, rule, local law, charter provision, local ordinance, or local code relating to the right to vote, or which grants authority to prescribe or maintain voting or elections policies and practices, must be construed or applied liberally in favor of a voter's exercise of the right of suffrage. To the extent a court is afforded discretion on an issue, including but not limited to discovery, procedure, admissibility of evidence, or remedies, the court must exercise that discretion and weigh other equitable discretion in favor of this right.

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

## Sec. 4. [200.54] VOTER SUPPRESSION AND VOTE DILUTION PROHIBITED.

Subdivision 1. **Voter suppression.** (a) A political subdivision or any other government official or entity responsible for election administration must not adopt or apply a qualification for eligibility to vote or other prerequisite to voting; adopt or apply any law, ordinance, rule, standard, practice, procedure, or policy regarding the administration of elections; or take any other action or fail to take any action that results in, is likely to result in, or is intended to result in a denial or abridgement of the right to vote by a member of a protected class.

- (b) A violation of this subdivision may be established if it is shown that the challenged qualification, law, ordinance, rule, standard, practice, procedure, policy, or action results in a disparate burden on members of a protected class and the burden is, under the totality of the circumstances, related to social and historical conditions affecting members of the protected class.
- Subd. 2. **Vote dilution.** (a) A political subdivision or any other government official or entity responsible for election administration must not adopt or enforce any method of election, or cause an annexation, incorporation, dissolution, consolidation, or division of a political subdivision, that has the effect of impairing the equal opportunity or ability of members of a protected class to nominate or elect candidates of their choice as a result of diluting the vote of members of that protected class.
  - (b) A violation of paragraph (a) exists when it is shown that:

(1) either:

- (i) elections in a political subdivision exhibit polarized voting resulting in an impairment of the equal opportunity or ability of protected class members to nominate or elect candidates of their choice; or
- (ii) based on the totality of the circumstances, the equal opportunity or ability of protected class members to nominate or elect candidates of their choice is impaired; and
- (2) one or more new methods of election or changes to the existing method of election exist that the court could order pursuant to section 200.58 would likely mitigate the impairment.
- (c) To the extent that a new method of election or change to the existing method of election that is presented under paragraph (b), clause (2), is a proposed district-based plan that provides protected class members with one or more reasonably configured districts in which the protected class members would have an equal opportunity or ability to nominate or elect candidates of the protected class members' choice, it is not necessary to show that members of a protected class comprise a majority of the total population, voting age population, voting eligible population, or registered voter population in any such district or districts.
- (d) The fact that members of a protected class are not geographically compact does not preclude a finding of a violation of this subdivision but may be a factor in determining whether an appropriate remedy exists that would likely mitigate the impairment.
- (e) For claims brought on behalf of a protected class, including one consisting of two or more racial, color, Tribal, or language minority groups that are politically cohesive in the political subdivision, the court shall consider only the combined electoral preferences of those racial, color, Tribal, or language minority groups in determining whether voting by the protected class is polarized from other voters. It is not necessary to demonstrate that voting by members of each racial, color, Tribal, or language minority group within a protected class, or by any subgroup within a racial, color, or language minority group, is separately polarized from other voters.
- (f) Evidence concerning the causes of, or the reasons for, the occurrence of polarized voting is not relevant to the determination of whether polarized voting occurs, or whether candidates or electoral choices preferred by a protected class would usually be defeated. Evidence concerning alternate explanations for polarized voting patterns or election outcomes, including but not limited to partisan explanations, must not be considered.
- (g) Evidence concerning projected changes in population or demographics may only be considered when determining whether an appropriate remedy exists that would likely mitigate the impairment.

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

### Sec. 5. [200.55] RELEVANT FACTORS FOR DETERMINING VIOLATION.

<u>Subdivision 1.</u> **Factors established.** <u>In determining whether, under the totality of the circumstances, a violation of section 200.54 has occurred with respect to a protected class, a court may consider any of the following factors:</u>

- (1) the history of discrimination affecting members of the protected class;
- (2) the extent to which members of the protected class are disadvantaged, or otherwise bear the effects of past public or private discrimination, in any areas that may hinder their ability to participate effectively in the political process, including education, employment, health, criminal justice, housing, transportation, land use, or environmental protection;
  - (3) whether members of the protected class vote at a lower rate than other voters;
  - (4) the use of overt or subtle racial appeals in political campaigns or by government officials;
  - (5) the extent to which members of the protected class have been elected to office;
- (6) the extent to which candidates who are members of the protected class have faced barriers with respect to accessing the ballot, receiving financial support, or receiving any other support for their candidacies for elective office;
- (7) the extent to which candidates who are members of a protected class face hostility or barriers while campaigning due to the protected class membership;
  - (8) the extent of polarized voting;
- (9) the use of any standard, practice, procedure, or policy that may enhance the dilutive effects of a challenged method of election;
- (10) the lack of responsiveness by elected officials to the particularized needs of protected class members or a community of protected class members;
- (11) whether the challenged method of election, ordinance, resolution, rule, policy, standard, regulation, procedure, or law was designed to advance, and does materially advance, a compelling state interest that is substantiated and supported by evidence; and
  - (12) other factors the court may deem relevant.
- Subd. 2. Necessity of factors. No one factor in subdivision 1 is dispositive or necessary to establish the existence of a violation of section 200.54, nor shall any specified number or combination of factors be required in establishing that such a violation has occurred. The court shall consider a particular factor only if and to the extent evidence pertaining to that factor is introduced. The absence of evidence as to any particular factor does not preclude a finding of a violation of section 200.54.
- Subd. 3. Claims involving a political subdivision. To the extent a claim concerns a political subdivision, evidence of the factors in subdivision 1 is most probative if the evidence relates to the political subdivision in which the alleged violation occurred, but still holds probative value if the evidence relates to the geographic region in which that political subdivision is located or to this state.

- Subd. 4. Evidence of intent. Evidence concerning the intent of voters, elected officials, or the political subdivision to discriminate against members of a protected class is not required to find a violation of section 200.54.
- Subd. 5. Factors that must be excluded. In determining whether a violation of section 200.54 has occurred, a court shall not consider any of the following:
- (1) the number of protected class members not burdened by the challenged qualification, prerequisite, standard, practice, or procedure;
- (2) the degree to which the challenged qualification, prerequisite, standard, practice, or procedure has a long pedigree or was in widespread use at some earlier date;
- (3) the use of an identical or similar qualification, prerequisite, standard, practice, or procedure in other states or jurisdictions;
- (4) the availability of other forms of voting unimpacted by the challenged qualification, prerequisite, standard, practice, or procedure to all members of the electorate, including members of the protected class;
- (5) an impact on potential criminal activity by individual voters, if those crimes have not occurred in the political subdivision in substantial numbers, or if the connection between the challenged policy and any claimed prophylactic effect is not supported by substantial evidence; or
  - (6) mere invocation of interests in voter confidence or prevention of fraud.

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

### Sec. 6. [200.56] PRESUIT NOTICE.

- Subdivision 1. Notice required. (a) Except as provided in this section, before filing an action a prospective plaintiff shall send a notice letter to the political subdivision identifying the potential violation, the affected protected class, and the type of remedy the potential plaintiff believes may address the potential violation. The party may not file an action related to the violations described in the notice letter until its receipt of a written denial by the political subdivision or within 60 days after sending the letter, whichever is earlier.
- (b) A notice letter required by paragraph (a) must identify a potential violation of section 200.54 with specificity, including whether the prospective plaintiff believes the potential violation constitutes voter suppression under section 200.54, subdivision 1, vote dilution under section 200.54, subdivision 2, or both. The letter must include the relevant facts and evidence that the prospective plaintiff relied upon when evaluating whether a potential violation of section 200.54 exists.
  - Subd. 2. When presuit notice is not required. Notwithstanding subdivision 1, a notice letter is not required if:
  - (1) the party is seeking preliminary relief with respect to an upcoming election in accordance with section 200.57;
  - (2) the party is seeking to intervene in or join an existing action; or
- (3) following the party's submission of a notice letter, the political subdivision enacted a remedy that would not remedy the violation identified in the letter.
- Subd. 3. Responsibility of parties. The political subdivision shall respond in writing to a notice letter submitted under subdivision 1 within 60 days. If the political subdivision does not deny the potential violation, it must work in good faith with the party that submitted the letter to explore and implement any mutually agreed upon

remedies to cure the potential violation. If the political subdivision adopts a resolution within 60 days of the filing of the letter identifying a remedy, affirming its intent to enact and implement a remedy, and establishing a timeline and specific steps it will take to do so, the political subdivision shall have 150 days from the submission of the letter to enact and implement a remedy, during which time the party who sent the letter may not file an action related to those violations against that political subdivision. A statement, action, or decision of a political subdivision under this subdivision does not constitute an admission by the political subdivision of its liability or establish the existence of a violation of section 200.54.

- Subd. 4. Approval of remedies. If the political subdivision lacks authority to enact or implement an identified remedy, the political subdivision may nonetheless enact and implement the remedy upon approval by the district court. To seek approval, the political subdivision must file a petition in district court that identifies with specificity the law or other authority that prevents the remedy from being enacted or implemented. The venue for a petition under this subdivision is in the district court of the county where the challenged act or practice occurred, or in the District Court of Ramsey County. The district court may authorize the political subdivision to implement or enact the identified remedy notwithstanding the applicable law or authority to the contrary, if the court determines that the prospective plaintiff is likely to succeed in a lawsuit on the merits of the alleged violation; that the proposed remedy would address the alleged violation; and that the proposed remedy is narrowly tailored to that purpose.
- Subd. 5. Cost sharing. (a) If a political subdivision enacts or implements a remedy in response to a notice letter submitted under subdivision 1, the political subdivision and the party who sent the notice letter must mutually agree on a reimbursement amount to be paid by the political subdivision to that party. The reimbursement amount must reflect the reasonable costs associated with producing and sending the letter and any accompanying evidence, subject to the limitations of this subdivision.
- (b) To be eligible for a reimbursement, the party who submitted the notice letter must submit a request to the political subdivision in writing. The request must:
  - (1) be received by the political subdivision within 30 days of its enactment or adoption of the remedy; and
- (2) be substantiated with financial documentation including, as applicable, detailed invoices for expert analysis and reasonable attorney fees.
- (c) The cumulative amount of reimbursements to all parties must not exceed \$30,000. Reimbursement amounts for attorney fees are limited to amounts calculated using a lodestar methodology.
- (d) To the extent a party requests reimbursement for a purported notice letter that fails to comply with the requirements in subdivision 1, or the request fails to comply with this subdivision, the political subdivision may dismiss the request. If the request is dismissed, the political subdivision must notify the party in writing of the reasons for the dismissal.

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

### Sec. 7. [200.57] RIGHT OF ACTION; VENUE; PRELIMINARY RELIEF.

Subdivision 1. **Right of action.** (a) The attorney general, a county attorney, any individual aggrieved by a violation of this act, any entity whose membership includes individuals aggrieved by a violation of this act, any entity whose mission would be frustrated by a violation of this act, or any entity that would expend resources in order to fulfill its mission as a result of a violation of this act, may file an action in the district court for the county where the challenged act or practice has occurred, or in the district court of Ramsey County. Actions brought under this act are subject to expedited pretrial and trial proceedings and must receive an automatic calendar preference.

The state is a necessary party in any action in which an alleged violation is based on a political subdivision's implementation of a state law, if the state law does not afford discretion to the political subdivision in its implementation of the law.

(b) In an action related to a districting or redistricting plan, any individual with standing to challenge any single district shall be deemed to have standing to challenge the districting or redistricting plan as a whole.

Subd. 2. Preliminary relief prior to election. In any action seeking a temporary injunction or other preliminary relief under this act before an election, the court shall grant relief if warranted based on the factors considered in seeking a temporary injunction or preliminary relief under Minnesota law, except that if the court determines that it is possible to implement appropriate relief that would address an alleged violation before an election, such relief shall not be denied on the basis that the election is close in time or that the relief could result in voter confusion.

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

## Sec. 8. [200.58] REMEDIES.

Notwithstanding any other law, if the court finds a violation of any provision of section 200.54, the court has authority to order remedies that are tailored to best mitigate the violation. Any remedy ordered by the court must be constructed liberally in favor of a voter's exercise of the right of suffrage. The court may consider, among others, any remedy that has been ordered by a federal court or the court of another state jurisdiction, including through a court-approved consent decree or settlement adopted in the context of similar facts or to remedy a similar violation. The court shall consider remedies proposed by any party and may consider remedies proposed by interested nonparties. The court may not provide deference or priority to a proposed remedy offered by a defendant or political subdivision simply because the remedy has been proposed by the defendant or political subdivision.

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

## Sec. 9. [200.59] FEES AND COSTS.

In any action brought under this act, the court, in its discretion, may allow the prevailing party costs and reasonable attorney fees. If a party prevails on only a portion of their action, the court may award costs and attorney fees attributable to that portion of the action. If the party against whom the action was filed prevails in the action, the court shall not award that party any costs or attorney fees unless the court finds the action is frivolous.

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

### Sec. 10. [200.60] VOTING RIGHTS ACT COST SHARING ACCOUNT.

Subdivision 1. Special revenue fund account established. A Voting Rights Act cost sharing account is established in the special revenue fund. Money in the account is appropriated to the secretary of state for the purpose of reimbursing political subdivisions for presuit notice cost sharing expenses agreed to under section 200.56, subdivision 4, as authorized by this section. The secretary of state may retain up to five percent of the total cost of a reimbursement for administrative costs associated with processing the reimbursement.

Subd. 2. Eligibility for reimbursement; application and approval. (a) A political subdivision that implements a remedy in response to a presuit notice letter submitted under section 200.56 and pays a cost sharing amount under that section may apply to the secretary of state for reimbursement of the paid amount.

(b) The secretary of state must establish a form to be used by a political subdivision when applying for the reimbursement. The secretary of state must approve a submitted application, so long as the information provided by the political subdivision demonstrates that the expenses paid are eligible under section 200.56 and that sufficient funds are available in the Voting Rights Act cost sharing account to make the reimbursement payment. The secretary of state must review, approve, and distribute a reimbursement to an eligible political subdivision within 45 days of receiving its application.

Sec. 11. Minnesota Statutes 2022, section 204B.175, is amended to read:

#### 204B.175 CHANGE OF POLLING PLACE IN AN EMERGENCY.

Subdivision 1. **Application.** When an emergency occurs after the deadline to <u>designate a polling place for the purpose of absentee or early voting pursuant to section 203B.081, or after the deadline to designate a polling place pursuant to section 204B.16 but before the polls close on election day, a new polling place may be designated <del>for that election</del> pursuant to this section. For purposes of this section, an emergency is any situation that prevents the safe, secure, and full operation of a polling place, or when required to remedy a potential violation of section 200.54.</u>

- Subd. 2. **Changing polling place.** If a local election official determines that an emergency has occurred or is imminent, the local election official must procure a polling place that is as near the designated polling place as possible and that complies with the requirements of section 204B.16, subdivisions 4 and 5. If it is not possible to locate a new polling place in the precinct, the polling place may be located outside of the precinct without regard to the distance limitations in section 204B.16, subdivision 1. If a polling place location is changed to remedy a potential violation of section 200.54, the location of the polling place must be selected to remedy the violation. The local election official must certify to the appropriate governing body the expenses incurred because of the change. These expenses shall be paid as part of the expenses of the election.
- Subd. 2a. **Designation of additional polling places.** A local election official may designate additional polling places, notwithstanding the deadlines in section 203B.081, if additional designations are required to remedy a potential violation of section 200.54. The local election official must certify to the appropriate governing body the expenses incurred because of the change. These expenses shall be paid as part of the expenses of the election.
- Subd. 3. **Notice.** (a) Upon making the determination to relocate a polling place, the local election official must immediately notify the county auditor and the secretary of state. The notice must include the reason for the relocation and the reason for the location of the new polling place. As soon as possible, the local election official must also post a notice stating the reason for the relocation and the location of the new polling place. The notice must also be posted on the website of the public body, if there is one. The local election official must also notify the election judges and request that local media outlets publicly announce the reason for the relocation and the location of the polling place. If the relocation occurs more than 14 days prior to the election, the local election official must mail a notice to the impacted voters of the reason for the relocation and the location of the polling place.
- (b) On election day, the local election official must post a notice in large print in a conspicuous place at the polling place where the emergency occurred, if practical, stating the location of the new polling place. The local election official must also post the notice, if practical, in a location visible by voters who vote from their motor vehicles as provided in section 204C.15, subdivision 2. If polling place hours are extended pursuant to section 204C.05, subdivision 2, paragraph (b), the posted notices required by this paragraph must include a statement that the polling place hours at the new polling place will be extended until the specified time.

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

- Sec. 12. Minnesota Statutes 2022, section 412.02, subdivision 6, is amended to read:
- Subd. 6. **Council increased or reduced.** The council may by ordinance adopted at least 60 days before the next regular city election submit to the voters of the city the question of whether the city council should be increased or reduced to seven or five members. The ordinance shall include a schedule of elections and terms <u>and ward boundary changes</u>, if applicable, to accomplish the change. The proposal shall be voted on at the next city general election and, if approved by a majority of those voting on the question, go into effect in accordance with the schedule <u>and ward boundaries</u>, if applicable.

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

- Sec. 13. Minnesota Statutes 2022, section 412.02, is amended by adding a subdivision to read:
- Subd. 7. Wards. (a) A city may adopt an ordinance to elect its city council members by ward in the following circumstances:
- (1) if the ordinance is submitted to the voters of the city for approval at a regular or special election, and the ordinance is adopted at least 180 days before that election; or
- (2) when approved or ordered to do so by a court of competent jurisdiction acting in response to a challenge to the city's method of conducting elections.
- (b) If the city is petitioned by at least 15 percent of the electors voting at the last previous city election asking that the question of city council member election by ward be put to the voters of the city, the city must adopt an ordinance for that purpose and submit the ordinance to the voters of the city for approval at a regular or special election.
- (c) An ordinance must designate the boundaries of the wards. The ordinance must also state whether the city will otherwise operate as a statutory standard plan city or statutory optional plan city, subject to voter approval as may be required under this chapter. If submitted to the voters by ballot question, the ordinance shall go into effect at the next regular city election if it is approved by a majority of those voting on the question. Except as provided by this subdivision, section 205.10 applies to a ballot question submitted to the voters at a special election under this subdivision.
  - (d) A city that elects its council members by ward is subject to the requirements of sections 204B.135 and 205.84.

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

### Sec. 14. LEGISLATIVE FINDINGS.

(a) The legislature finds that election practices, procedures, and methods that deny or impair the equal opportunity of racial, color, or language minority groups and Tribal communities to participate in the political process or elect candidates of their choice are inconsistent with the fundamental right to vote, and the rights and privileges guaranteed by the Minnesota Constitution as well as protections found in the Fourteenth and Fifteenth Amendments to the United States Constitution.

- (b) The legislature finds that there is a history in Minnesota, as in the United States overall, of discrimination based on race, color, language-minority status, and Tribal membership, including in access to the political process. For example, that:
- (1) the state constitution of 1857 limited the right to vote to white residents and Native American voters "who have adopted the customs and habits of civilization," and invoked a cultural purity test for Native American residents, requiring only Native American applicants to appear before a district court to determine whether each individual was "capable of enjoying the rights of citizenship within the State";
- (2) Minnesota voters twice rejected expanding suffrage to Black residents, voting down proposed constitutional amendments to do so in 1865 and again in 1867, and only granted nonwhite men the right to vote in 1868, three years after the end of the Civil War;
- (3) civil rights plaintiffs and the federal government have filed litigation and taken other action against political subdivisions in Minnesota under the Federal Voting Rights Act of 1965, as amended, alleging violations of section 2 of that act;
- (4) individuals who are members of racial, color, or language minority groups have faced voter intimidation and disinformation in Minnesota, and that, for example, voters of color in 2020 in the cities of Minneapolis and St. Paul were targeted by a plan to hire and deploy armed paramilitia to polling locations, an attempt that was enjoined by a federal district court judge; and
- (5) the history of discrimination in Minnesota further includes but is not limited to discrimination in housing, including the use of redlining, racially restrictive covenants on housing deeds, and predatory lending practices; education; employment; health; criminal justice; public works; transportation; land use; environmental protection; and other areas of life.
- (c) As a result of this history and persistent discrimination and socioeconomic inequities that bear on the right to vote, members of racial, color, or language minority groups and Tribal communities continue to face unequal barriers in exercising the franchise and participating effectively in the political process.
- (d) In light of these conditions, it is the legislature's intent by this act to encourage participation in the elective franchise by all eligible voters and to provide voters in this state with a means to secure their constitutional right to vote free from discrimination.

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

# ARTICLE 4 CAMPAIGN FINANCE

- Section 1. Minnesota Statutes 2022, section 10A.01, subdivision 7, is amended to read:
- Subd. 7. **Ballot question.** "Ballot question" means a question or proposition that is placed on the ballot and that may be voted on by:
  - (1) all voters of the state; or
  - (2) all voters of Hennepin County;
- (3) all voters of any home rule charter city or statutory city located wholly within Hennepin County and having a population of 75,000 or more; or

(4) all voters of Special School District No. 1 a county, city, school district, township, or special district.

"Promoting or defeating a ballot question" includes activities, other than lobbying activities, related to qualifying the question for placement on the ballot.

# **EFFECTIVE DATE.** This section is effective January 1, 2025.

- Sec. 2. Minnesota Statutes 2022, section 10A.01, subdivision 10d, is amended to read:
- Subd. 10d. Local candidate. "Local candidate" means an individual who seeks nomination or election to-
- (1) any county office in Hennepin County;
- (2) any city office in any home rule charter city or statutory city located wholly within Hennepin County and having a population of 75,000 or more; or
  - (3) the school board in Special School District No. 1 a county, city, school district, township, or special district office.

### **EFFECTIVE DATE.** This section is effective January 1, 2025.

- Sec. 3. Minnesota Statutes 2022, section 10A.01, is amended by adding a subdivision to read:
- Subd. 16b. Employee of a political subdivision. "Employee of a political subdivision" includes an individual hired or appointed by the political subdivision. An individual is also an employee of a political subdivision if the individual is:
  - (1) hired to provide the political subdivision services as a consultant or independent contractor; or
- (2) employed by a business that has contracted with the political subdivision to provide legal counsel, professional services, or policy recommendations to the political subdivision.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to activities occurring on or after that date.

- Sec. 4. Minnesota Statutes 2023 Supplement, section 10A.01, subdivision 21, is amended to read:
- Subd. 21. Lobbyist. (a) "Lobbyist" means an individual:
- (1) engaged for pay or other consideration of more than \$3,000 from all sources in any year:
- (i) for the purpose of attempting to influence legislative or administrative action, or the official action of a political subdivision, by communicating or urging others to communicate with public or local officials; or
- (ii) from a business whose primary source of revenue is derived from facilitating government relations or government affairs services if the individual's job duties include offering direct or indirect consulting or advice that helps the business provide those services to clients; or
- (2) who spends more than \$3,000 of the individual's personal funds, not including the individual's own traveling expenses and membership dues, in any year for the purpose of attempting to influence legislative or administrative action, or the official action of a political subdivision, by communicating or urging others to communicate with public or local officials.

- (b) "Lobbyist" does not include:
- (1) a public official;
- (2) an employee of the state, including an employee of any of the public higher education systems;
- (3) an elected local official;
- (4) a nonelected local official or an employee of a political subdivision acting in an official capacity, unless the nonelected official or employee of a political subdivision spends more than 50 hours in any month attempting to influence legislative or administrative action, or the official action of a political subdivision other than the political subdivision employing the official or employee, by communicating or urging others to communicate with public or local officials, including time spent monitoring legislative or administrative action, or the official action of a political subdivision, and related research, analysis, and compilation and dissemination of information relating to legislative or administrative policy in this state, or to the policies of political subdivisions;
- (5) a party or the party's representative appearing in a proceeding before a state board, commission, or agency of the executive branch unless the board, commission, or agency is taking administrative action;
  - (6) an individual while engaged in selling goods or services to be paid for by public funds;
- (7) a news medium or its employees or agents while engaged in the publishing or broadcasting of news items, editorial comments, or paid advertisements which directly or indirectly urge official action;
- (8) a paid expert witness whose testimony is requested by the body before which the witness is appearing, but only to the extent of preparing or delivering testimony; or
- (9) a party or the party's representative appearing to present a claim to the legislature and communicating to legislators only by the filing of a claim form and supporting documents and by appearing at public hearings on the claim-; or
- (10) an individual providing information or advice to members of a collective bargaining unit when the unit is actively engaged in the collective bargaining process with a state agency or a political subdivision.
- (c) An individual who volunteers personal time to work without pay or other consideration on a lobbying campaign, and who does not spend more than the limit in paragraph (a), clause (2), need not register as a lobbyist.
- (d) An individual who provides administrative support to a lobbyist and whose salary and administrative expenses attributable to lobbying activities are reported as lobbying expenses by the lobbyist, but who does not communicate or urge others to communicate with public or local officials, need not register as a lobbyist.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to activities occurring on or after that date.

- Sec. 5. Minnesota Statutes 2022, section 10A.01, subdivision 33, is amended to read:
- Subd. 33. **Principal.** "Principal" means an individual or association that:
- (1) spends more than \$500 \$3,000 in the aggregate in any calendar year to engage a lobbyist, compensate a lobbyist, or authorize the expenditure of money by a lobbyist; or

(2) is not included in clause (1) and spends a total of at least \$50,000 in any calendar year on efforts to influence legislative action, administrative action, or the official action of metropolitan governmental units political subdivisions, as described in section 10A.04, subdivision 6.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to activities occurring on or after that date.

- Sec. 6. Minnesota Statutes 2023 Supplement, section 10A.04, subdivision 6, is amended to read:
- Subd. 6. **Principal reports.** (a) A principal must report to the board as required in this subdivision by March 15 for the preceding calendar year.
- (b) The principal must report the total amount, rounded to the nearest \$9,000 \( \frac{\$5,000}{} \), spent by the principal during the preceding calendar year on each type of lobbying listed below:
  - (1) lobbying to influence legislative action;
  - (2) lobbying to influence administrative action, other than lobbying described in clause (3);
- (3) lobbying to influence administrative action in cases of rate setting, power plant and powerline siting, and granting of certificates of need under section 216B.243; and
  - (4) lobbying to influence official action of a political subdivision.
  - (c) For each type of lobbying listed in paragraph (b), the principal must report a total amount that includes:
- (1) the portion of all direct payments for compensation and benefits paid by the principal to lobbyists in this state for that type of lobbying;
- (2) the portion of all expenditures for advertising, mailing, research, consulting, surveys, expert testimony, studies, reports, analysis, compilation and dissemination of information, <u>communications and staff costs used for the purpose of urging members of the public to contact public or local officials to influence official actions</u>, social media and public relations campaigns, and legal counsel used to support that type of lobbying in this state; and
- (3) a reasonable good faith estimate of the portion of all salaries and administrative overhead expenses attributable to activities of the principal for that type of lobbying in this state.
- (d) The principal must report disbursements made and obligations incurred that exceed \$2,000 for paid advertising used for the purpose of urging members of the public to contact public or local officials to influence official actions during the reporting period. Paid advertising includes the cost to boost the distribution of an advertisement on social media. The report must provide the date that the advertising was purchased, the name and address of the vendor, a description of the advertising purchased, and any specific subjects of interest addressed by the advertisement.
  - Sec. 7. Minnesota Statutes 2023 Supplement, section 10A.20, subdivision 2a, is amended to read:
- Subd. 2a. **Local election reports.** (a) This subdivision applies to a political committee, political fund, or political party unit that during a non-general election year:
  - (1) spends in aggregate more than \$200 to influence the nomination or election of local candidates;
  - (2) spends in aggregate more than \$200 to make independent expenditures on behalf of local candidates; or

- (3) spends in aggregate more than \$200 to promote or defeat ballot questions defined in section 10A.01, subdivision 7, clause (2), (3), or (4).
- (b) In addition to the reports required by subdivision 2, the entities listed in paragraph (a) must file the following reports in each non-general election year:
  - (1) a first-quarter report covering the calendar year through March 31, which is due April 14;
  - (2) a report covering the calendar year through May 31, which is due June 14;
  - (3) a pre-primary election July report due 15 days before the local primary election date specified in section 205.065;
  - (4) a pre-general-election report due 42 days before the local general election; and
  - (5) a pre-general-election report due ten days before a local general election.

The reporting obligations in this paragraph begin with the first report due after the reporting period in which the entity reaches the spending threshold specified in paragraph (a). The pre primary July report required under clause (3) is required for all entities required to report under paragraph (a), regardless of whether the candidate or issue is on the primary ballot or a primary is not conducted.

# **EFFECTIVE DATE.** This section is effective January 1, 2025.

- Sec. 8. Minnesota Statutes 2023 Supplement, section 10A.20, subdivision 12, is amended to read:
- Subd. 12. **Failure to file; late fees; penalty.** (a) If an individual or association fails to file a report required by this section or section 10A.202, the board may impose a late filing fee <u>and a civil penalty</u> as provided in this subdivision.
- (b) If an individual or association a candidate, political committee, political fund, principal campaign committee, or party unit fails to file a report required by this section that is due January 31, the board may impose a late filing fee of \$25 per day, not to exceed \$1,000, commencing the day after the report was due.
- (c) Except for reports governed by paragraph (b), if an individual, political committee, political fund, principal campaign committee, party unit, or association fails to file a report required by subdivision 2, 2a, or 5, or by section 10A.202, the board may impose a late filing fee of \$50 per day, not to exceed \$1,000, commencing on the day after the date the statement was due, provided that. If the total receipts received expenditures or disbursements that occurred during the reporting period or total expenditure reportable under section 10A.202 exceeds \$25,000, then the board may also impose a late filing fee of up to two percent of the amount expenditures or disbursements that should have been reported, per day, commencing on the day after the report was due, not to exceed 100 percent of the amount that should have been reported.
- (d) If an individual, political committee, political fund, principal campaign committee, party unit, or association has been assessed a late filing fee or civil penalty under this subdivision during the prior four years, the board may impose a late filing fee, a civil penalty, or both of up to twice the amount otherwise authorized by this subdivision. If an individual, political committee, political fund, principal campaign committee, party unit, or association has been assessed a late filing fee under this subdivision more than two times during the prior four years, the board may impose a late filing fee of up to three times the amount otherwise authorized by this subdivision.

(e) Within ten business days after the report was due or receipt by the board of information disclosing the potential failure to file a report required by this section, the board must send notice by certified mail that the individual or association may be subject to a civil penalty for failure to file the report. An individual who fails to file the report within seven days after the certified mail notice was sent by the board is subject to a civil penalty imposed by the board of up to \$1,000 \$2,000 in addition to the late filing fees imposed by this subdivision.

# **EFFECTIVE DATE.** This section is effective July 1, 2024, and applies to penalties assessed on or after that date.

- Sec. 9. Minnesota Statutes 2023 Supplement, section 10A.201, subdivision 3, is amended to read:
- Subd. 3. Can be received by 10,000 or more individuals Targeted to the relevant electorate. (a) "Can be received by 10,000 or more individuals" "Targeted to the relevant electorate" means that a communication can be received in the district the candidate seeks to represent, in the case of a candidate for representative, senator, or other office represented by district; or in the entire state, if the candidate seeks a statewide office, as follows:
- (1) in the case of a communication transmitted by an FM radio broadcast station or network, where the district lies entirely within the station's or network's protected or primary service contour, that the population of the district is 10,000 or more;
- (2) in the case of a communication transmitted by an FM radio broadcast station or network, where a portion of the district lies outside of the protected or primary service contour, that the population of the part of the district lying within the station's or network's protected or primary service contour is 10,000 or more;
- (3) in the case of a communication transmitted by an AM radio broadcast station or network, where the district lies entirely within the station's or network's most outward service area, that the population of the district is 10,000 or more;
- (4) in the case of a communication transmitted by an AM radio broadcast station or network, where a portion of the district lies outside of the station's or network's most outward service area, that the population of the part of the district lying within the station's or network's most outward service area is 10,000 or more;
- (5) in the case of a communication appearing on a television broadcast station or network, where the district lies entirely within the station's or network's Grade B broadcast contour, that the population of the district is 10,000 or more;
- (6) in the case of a communication appearing on a television broadcast station or network, where a portion of the district lies outside of the Grade B broadcast contour:
- (i) that the population of the part of the district lying within the station's or network's Grade B broadcast contour is 10,000 or more; or
- (ii) that the population of the part of the district lying within the station's or network's broadcast contour, when combined with the viewership of that television station or network by cable and satellite subscribers within the district lying outside the broadcast contour, is 10,000 or more;
- (7) in the case of a communication appearing exclusively on a cable or satellite television system, but not on a broadcast station or network, that the viewership of the cable system or satellite system lying within a district is 10,000 or more;  $\frac{1}{100}$
- (8) in the case of a communication appearing on a cable television network, that the total cable and satellite viewership within a district is 10,000 or more-; or

- (9) in the case of a communication disseminated by telephone, in a digital format online, or by other electronic means that:
- (i) the communication is capable of generating 2,500 or more contacts within a district at any time during the electioneering communication period identified in subdivision 6, paragraph (a), clause (2), in which it is disseminated; or
  - (ii) if multiple communications are disseminated by the same person, the communications:
  - (A) refer to the same candidate; and
- (B) are capable of generating 2,500 or more contacts within a district, in aggregate, at any time during the electioneering communication period identified in subdivision 6, paragraph (a), clause (2), in which they are disseminated.
- (b) Cable or satellite television viewership is determined by multiplying the number of subscribers within a district, or a part thereof, as appropriate, by the current average household size for Minnesota, as determined by the Bureau of the Census.
- (c) A determination that a communication can be received by 10,000 or more individuals is targeted to the relevant electorate based on the application of the formula in this section shall create a rebuttable presumption that may be overcome by demonstrating that:
- (1) one or more cable or satellite systems did not carry the network on which the communication was publicly distributed at the time the communication was publicly distributed; and
- (2) applying the formula to the remaining cable and satellite systems results in a determination that the cable network or systems upon which the communication was publicly distributed could not be received by 10,000 individuals or more.
- **EFFECTIVE DATE.** This section is effective January 1, 2025, and applies to communications disseminated on or after that date.
  - Sec. 10. Minnesota Statutes 2023 Supplement, section 10A.201, subdivision 4, is amended to read:
- Subd. 4. **Direct costs of producing or airing electioneering communications.** "Direct costs of producing or airing electioneering communications" means:
- (1) costs charged by a vendor, including studio rental time, staff salaries, costs of video or audio recording media visual or audio media creation or recording, and talent; and
- (2) the cost of airtime on broadcast, cable, or satellite radio and television stations, studio time, material costs, and the charges for a broker to purchase the airtime-; and
- (3) the cost to disseminate messages, to access any platform used to disseminate messages, or to promote messages on any platform used to disseminate messages by telephone, in a digital format online, or by other electronic means.
- **EFFECTIVE DATE.** This section is effective January 1, 2025, and applies to communications disseminated on or after that date.

- Sec. 11. Minnesota Statutes 2023 Supplement, section 10A.201, subdivision 6, is amended to read:
- Subd. 6. **Electioneering communication.** (a) "Electioneering communication" means any broadcast, cable, <del>or</del> satellite, telephone, or digital communication that:
  - (1) refers to a clearly identified candidate for state office;
- (2) is publicly distributed within 60 days before a general election for the office sought by the candidate; or, within 30 days before a primary election for the office sought by the candidate, or within 30 days before a convention or caucus of a political party unit that has authority to nominate endorse a candidate, for the office sought by the candidate, and the candidate referenced is seeking the nomination of that political party; and
  - (3) is targeted to the relevant electorate.
  - (b) A communication is not an electioneering communication if it:
- (1) is publicly disseminated through a means of communication other than a broadcast, cable, or satellite television, or radio station, by telephone, in a digital format online, or by other electronic means;
- (2) appears in a news story, commentary, or editorial distributed through the facilities of any broadcast, cable, or satellite television or radio station, unless such facilities are owned or controlled by any political party, political committee, or candidate, provided that a news story distributed through a broadcast, cable, or satellite television or radio station owned or controlled by any political party, political committee, or candidate is not an electioneering communication if the news story meets the requirements described in Code of Federal Regulations, title 11, section 100.132 (a) and (b);
- (3) constitutes an expenditure or independent expenditure, provided that the expenditure or independent expenditure is required to be reported under this chapter;
- (4) constitutes a candidate debate or forum, or that solely promotes such a debate or forum and is made by or on behalf of the person sponsoring the debate or forum; or
  - (5) is paid for by a candidate:
- (6) is a noncommercial solicitation for the purposes of opinion research, including but not limited to opinion research designed for understanding the impact of exposure to political messages and content, provided that the solicitation is not designed to influence respondents' views by presenting biased or manipulative content under the guise of it being an opinion poll, survey, or other form of scientific data collection; or
- (7) is a communication disseminated by telephone, in a digital format online, or by other electronic means that the recipient has affirmatively and voluntarily consented to receive from the sender.
- **EFFECTIVE DATE.** This section is effective January 1, 2025, and applies to communications disseminated on or after that date.
  - Sec. 12. Minnesota Statutes 2023 Supplement, section 10A.201, subdivision 9, is amended to read:
- Subd. 9. **Publicly distributed.** "Publicly distributed" means aired, broadcast, cablecast, or otherwise disseminated through the facilities of a television station, radio station, cable television system, or satellite system, or disseminated to a recipient by telephone, in a digital format online, or by other electronic means.
- **EFFECTIVE DATE.** This section is effective January 1, 2025, and applies to communications disseminated on or after that date.

Sec. 13. Minnesota Statutes 2023 Supplement, section 10A.202, subdivision 1, is amended to read:

Subdivision 1. **Reports required.** Any person who has made an electioneering communication, as defined in section 10A.201, aggregating in excess of \$10,000 during any calendar year shall file a statement with the board no later than 11:59 p.m. on the day following the disclosure date. The statement shall be filed under penalty of perjury, and must contain the information set forth in subdivision 2. Political committees, political funds, and political party units that make a communication described in section 10A.201 must report the communication as a campaign expenditure or independent expenditure as otherwise provided by this chapter and are not required to file a report under this section.

# **EFFECTIVE DATE.** This section is effective July 1, 2024, and applies to penalties assessed on or after that date.

- Sec. 14. Minnesota Statutes 2022, section 10A.27, subdivision 8, is amended to read:
- Subd. 8. Excess loans prohibited; limitation on interest. (a) A candidate must not permit the candidate's principal campaign committee to accept a loan from other than a financial institution for an amount in excess of the contribution limits imposed by this section. A candidate must not permit the candidate's principal campaign committee to accept a loan from a financial institution for which the financial institution may hold an endorser of the loan liable to pay an amount in excess of the amount that the endorser may contribute to that candidate.
- (b) A candidate's principal campaign committee must not accept a loan from the candidate if the terms of the loan require the candidate's principal campaign committee to pay interest to the candidate.

# **EFFECTIVE DATE.** This section is effective January 1, 2025.

- Sec. 15. Minnesota Statutes 2022, section 10A.27, subdivision 17, is amended to read:
- Subd. 17. **Penalty.** (a) An association that makes a contribution under subdivision 15 and fails to provide the required statement within the time specified is subject to a <u>late filing fee of \$100 a day not to exceed \$1,000, commencing the day after the statement was due.</u> The board must send notice by certified mail that the individual or association may be subject to a civil penalty for failure to file the statement. An association that fails to provide the required statement within seven days after the certified mail notice was sent by the board is subject to a civil penalty of up to four times the amount of the contribution, but not to exceed \$25,000, except when the violation was intentional.
- (b) An independent expenditure political committee or an independent expenditure political fund that files a report without including the statement required under subdivision 15 is subject to a <u>late filing fee of \$100 a day not</u> to exceed \$1,000, commencing the day after the report was due. The board must send notice by certified mail that the independent expenditure political committee or independent expenditure fund may be subject to a civil penalty for failure to file the statement. An association that fails to provide the required statement within seven days after the certified mail notice was sent by the board is subject to a civil penalty of up to four times the amount of the contribution for which disclosure was not filed, but not to exceed \$25,000, except when the violation was intentional.
- (c) If an independent expenditure political committee or an independent expenditure political fund has been assessed a late filing fee under this subdivision during the prior four years, the board may impose a late filing fee of up to twice the amount otherwise authorized by this subdivision. If an independent expenditure political committee or an independent expenditure political fund has been assessed a late filing fee under this subdivision more than two times during the prior four years, the board may impose a late filing fee of up to three times the amount otherwise authorized by this subdivision.

(e) (d) No other penalty provided in law may be imposed for conduct that is subject to a civil penalty under this section.

### **EFFECTIVE DATE.** This section is effective July 1, 2024, and applies to penalties assessed on or after that date.

- Sec. 16. Minnesota Statutes 2022, section 211A.01, subdivision 3, is amended to read:
- Subd. 3. **Candidate.** "Candidate" means an individual who seeks nomination or election to a county, municipal, school district, or other political subdivision office. This definition does not include an individual seeking a judicial office. For purposes of sections 211A.01 to 211A.05 and 211A.07, "candidate" also includes a candidate for the United States Senate or House of Representatives.

### **EFFECTIVE DATE.** This section is effective January 1, 2025.

- Sec. 17. Minnesota Statutes 2022, section 211A.01, is amended by adding a subdivision to read:
- Subd. 4a. Committee. "Committee" means a group established by a candidate of two or more persons working together to support the election of the candidate to a political subdivision office. A committee may accept contributions and make disbursements on behalf of the candidate.

## **EFFECTIVE DATE.** This section is effective January 1, 2025.

- Sec. 18. Minnesota Statutes 2022, section 211A.01, subdivision 7, is amended to read:
- Subd. 7. **Filing officer.** "Filing officer" means the officer authorized by law to accept affidavits of candidacy or nominating petitions for an office or the officer authorized by law to place a ballot question on the ballot.

### **EFFECTIVE DATE.** This section is effective January 1, 2025.

- Sec. 19. Minnesota Statutes 2022, section 211A.01, subdivision 8, is amended to read:
- Subd. 8. **Political purposes.** An act is done for "political purposes" if it is of a nature, done with the intent, or done in a way to influence or tend to influence, directly or indirectly, voting <u>for a candidate</u> at a primary or an election or if it is done because a person is about to vote, has voted, or has refrained from voting <u>for a candidate</u> at a primary or an election.

# **EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 20. Minnesota Statutes 2023 Supplement, section 211A.02, subdivision 1, is amended to read:

Subdivision 1. When and where filed by committees or candidates. (a) A committee or a candidate who receives contributions or makes disbursements of more than \$750 in a calendar year shall submit an initial report to the filing officer within 14 days after the candidate or committee receives or makes disbursements of more than \$750 and shall must continue to make the reports listed in paragraph (b) required by this subdivision until a final report is filed.

- (b) The committee or In a year in which a candidate must file a report by January 31 of each year following the year when the initial report was filed and in a year when receives contributions or makes disbursements of more than \$750 or the candidate's name or a ballot question appears on the ballot, the candidate or committee shall must file a report:
- (1) ten days before the primary or special primary. This report is required if a primary is held in the jurisdiction, regardless of whether the candidate or issue is on the primary ballot or. If a primary is not conducted, the report is due ten days before the primary date specified in section 205.065;
  - (2) ten days before the general election or special election; and
  - (3) 30 days after a general or special election.

The reporting obligations in this paragraph begin with the first report due after the reporting period in which the candidate reaches the spending threshold specified in paragraph (a). A candidate who did not file for office is not required to file reports required by this paragraph that are due after the end of the filing period. A candidate whose name will not be on the general election ballot is not required to file the reports required by clauses (2) and (3).

(c) Until a final report is filed, a candidate must file a report by January 31 of each year. Notwithstanding subdivision 2, clause (4), the report required by this subdivision must only include the information from the previous calendar year.

### **EFFECTIVE DATE.** This section is effective January 1, 2025.

- Sec. 21. Minnesota Statutes 2022, section 211A.02, subdivision 2, is amended to read:
- Subd. 2. Information required. The report to be filed by a candidate or committee must include:
- (1) the name of the candidate or ballot question and office sought;
- (2) the printed name, address, telephone number, signature, and email address, if available, of the person responsible for filing the report;
  - (3) the total cash on hand designated to be used for political purposes;
- (4) the total amount of contributions <u>received</u> and <u>the total amount of</u> disbursements for the period from the last previous report to five days before the current report is due;
- (5) the amount, date, and purpose for each disbursement if disbursements made to the same vendor exceed \$100 in the aggregate during the period covered by the report, the name and address for the vendor and the amount, date, and purpose for each disbursement; and
- (6) the name, address, and employer, or occupation if self-employed, of any individual or eommittee entity that during the year period covered by the report has made one or more contributions that in the aggregate exceed \$100, and the amount and date of each contribution. The filing officer must restrict public access to the address of any individual who has made a contribution that exceeds \$100 and who has filed with the filing officer a written statement signed by the individual that withholding the individual's address from the financial report is required for the safety of the individual or the individual's family.

### **EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 22. Minnesota Statutes 2022, section 211A.05, subdivision 1, is amended to read:

Subdivision 1. **Penalty.** A candidate who intentionally fails to file a report required by section 211A.02 or a certification required by this section is guilty of a misdemeanor. The treasurer of a committee formed to promote or defeat a ballot question who intentionally fails to file a report required by section 211A.02 or a certification required by this section is guilty of a misdemeanor. Each candidate or treasurer of a committee formed to promote or defeat a ballot question shall must certify to the filing officer that all reports required by section 211A.02 have been submitted to the filing officer or that the candidate or committee has not received contributions or made disbursements exceeding \$750 in the calendar year. The certification shall must be submitted to the filing officer no later than seven days after the general or special election. The secretary of state shall must prepare blanks for this certification. An officer who issues a certificate of election to a candidate who has not certified that all reports required by section 211A.02 have been filed is guilty of a misdemeanor.

### **EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 23. Minnesota Statutes 2022, section 211A.06, is amended to read:

### 211A.06 FAILURE TO KEEP ACCOUNT; PENALTY.

A <u>candidate</u>, treasurer, or other individual who receives money for a committee is guilty of a misdemeanor if the individual:

- (1) fails to keep a correct account as required by law;
- (2) mutilates, defaces, or destroys an account record; or
- (3) in the case of a committee, refuses upon request to provide financial information to a candidate; and
- (4) does any of these things with the intent to conceal receipts or disbursements, the purpose of receipts or disbursements, or the existence or amount of an unpaid debt or the identity of the person to whom it is owed.

# **EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 24. Minnesota Statutes 2022, section 211A.07, is amended to read:

### 211A.07 BILLS WHEN RENDERED AND PAID.

A person who has a bill, charge, or claim against a <u>eandidate's candidate or a committee shall must</u> render it in writing to the <u>candidate or committee</u> within 60 days after the material or service is provided. A bill, charge, or claim that is not presented within 60 days after the material or service is provided must not be paid.

# **EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 25. Minnesota Statutes 2022, section 211A.12, is amended to read:

# 211A.12 CONTRIBUTION LIMITS.

(a) A candidate or a candidate's committee may not accept aggregate contributions made or delivered by an individual or an association, a political committee, political fund, or political party unit in excess of \$600 in an election year for the office sought and \$250 in other years; except that a candidate or a candidate's committee for an

office whose territory has a population over 100,000 may not accept aggregate contributions made or delivered by an individual or <u>an association</u>, a <u>political</u> committee, <u>political fund</u>, or <u>political party unit</u> in excess of \$1,000 in an election year for the office sought and \$250 in other years.

- (b) The following deliveries are not subject to the bundling limitation in this section:
- (1) delivery of contributions collected by a member of the candidate's committee, such as a block worker or a volunteer who hosts a fundraising event, to the committee's treasurer; and
  - (2) a delivery made by an individual on behalf of the individual's spouse.
  - (c) Notwithstanding sections 211A.02, subdivision 3, and 410.21, this section supersedes any home rule charter.
- (d) For purposes of this section, the terms "political committee," "political fund," and "political party unit" have the meanings given in section 10A.01.

### **EFFECTIVE DATE.** This section is effective January 1, 2025.

Sec. 26. Minnesota Statutes 2022, section 211A.14, is amended to read:

### 211A.14 CONTRIBUTIONS AND SOLICITATIONS DURING LEGISLATIVE SESSION.

A legislator or state constitutional officer who is a candidate for a county, city, or town office, under this chapter, and the candidate's principal campaign committee, and any other political committee with the candidate's name or title may not solicit or accept a contribution from a political committee, political fund, or registered lobbyist during a regular session of the legislature. For purposes of this section, the terms "political committee," "political fund," and "lobbyist" have the meanings given in section 10A.01.

### **EFFECTIVE DATE.** This section is effective January 1, 2025.

# Sec. 27. STATE AND LOCAL LOBBYING ACTIVITY; STUDY REQUIRED; REGISTRATION REQUIREMENTS STAYED.

- (a) The Campaign Finance and Public Disclosure Board must study and make recommendations to the legislature on the definitions of "lobbyist," "local official," "public official," and "official action of a political subdivision" for purposes of Minnesota Statutes, chapter 10A. The study and recommendations must focus on whether the law does or should distinguish between activities that constitute lobbying of a public official and activities that constitute lobbying of a local official. If the study determines that a distinction between these activities is appropriate and is not adequately articulated within current law, then the board must recommend options for the legislature to consider in adopting that distinction by law. The board must submit a report describing the study, its results, and any associated recommendations from the board to the chairs and ranking minority members of the legislative committees with jurisdiction over campaign finance and lobbyist registration policy no later than January 15, 2025.
- (b) Registration requirements under Minnesota Statutes, section 10A.03, for an individual attempting to influence the official action of a political subdivision that is not a metropolitan governmental unit are stayed until June 1, 2025. An individual who attempts to influence the official action of a "metropolitan governmental unit," as defined in Minnesota Statutes, chapter 10A, must comply with the registration and reporting requirements in Minnesota Statutes, sections 10A.03 and 10A.04. A lobbyist principal that is represented by a lobbyist who attempts to influence the official action of a metropolitan governmental unit must comply with the reporting requirement in Minnesota Statutes, section 10A.04.

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

### Sec. 28. REPEALER.

- (a) Minnesota Statutes 2022, sections 211A.01, subdivisions 2 and 4; and 211A.02, subdivision 4, are repealed.
- (b) Minnesota Statutes 2023 Supplement, section 10A.201, subdivision 11, is repealed.

**EFFECTIVE DATE.** Paragraph (a) is effective January 1, 2025. Paragraph (b) is effective for communications disseminated on or after January 1, 2025.

# ARTICLE 5 CENSUS AND REDISTRICTING

- Section 1. Minnesota Statutes 2023 Supplement, section 2.92, subdivision 4, is amended to read:
- Subd. 4. **Applicability.** This section applies from January 1 to July 1 in any year during which a to all decennial census is activities conducted under the authority of the United States Constitution, article 1, section 2.

# Sec. 2. [2.93] INCARCERATED PERSONS IN DISTRICT PLANS.

- Subdivision 1. **Definitions.** (a) For the purposes of this section, the definitions have the meanings given.
- (b) "Commissioner" means the commissioner of corrections.
- (c) "Director" means the director of the Legislative Coordinating Commission.
- (d) "Legislative Coordinating Commission" means the Legislative Coordinating Commission established in section 3.303.
- Subd. 2. Reallocation and exclusion of incarcerated persons. (a) For purposes of drawing congressional, legislative, and all other election districts, the legislature and local governments must use the population from the federal decennial census as modified by reallocating and excluding persons who are incarcerated.
- (b) A person who was incarcerated in a state or federal correctional facility, as determined by the decennial census, and who has a last known address in Minnesota must be reallocated to the census block of the last known address.
- (c) A person who was incarcerated in a state or federal correctional facility, as determined by the decennial census, and who has a last known address outside of Minnesota or does not have a last known address must:
- (1) be excluded from the population count for purposes of drawing congressional, legislative, or political subdivision districts; and
  - (2) be counted as part of the statewide population total.
- Subd. 3. Department of Corrections duties. (a) On or before June 1 in a year ending in zero, the commissioner must provide to the director of the Legislative Coordinating Commission the following information, in electronic form, for each person incarcerated in a state correctional facility on April 1 in the year of the decennial census:
- (1) a unique identifier that does not include the person's name, Department of Corrections identification number, or other identifying information;

- (2) the street address of the correctional facility in which the person was incarcerated at the time of the report:
- (3) the residential address of the person immediately prior to incarceration, if known, or if the person resided in an area lacking a specific physical address immediately prior to incarceration, a description of the physical location where the person regularly stayed immediately prior to being incarcerated;
- (4) the following demographic information, if known: the racial and ethnic information collected by the census and whether the person is over the age of 18; and
  - (5) any additional information the director of the Legislative Coordinating Commission deems necessary.
- (b) Notwithstanding any law to the contrary, the commissioner must provide the director with access to the best available data necessary to conduct the reallocations and exclusions required by this section.
- Subd. 4. Federal correctional facilities. By April 15 in a year ending in zero, the director must request each agency that operates a federal facility in Minnesota that incarcerates persons convicted of a criminal offense to provide the director with a report, including the information listed in subdivision 3. The information must reflect the persons incarcerated in the federal facility on April 1 of that year. If information is provided pursuant to this subdivision, the information must be provided by June 1 of the year ending in zero. If information is not provided pursuant to this subdivision, persons incarcerated at federal facilities must be treated as having no known last address and must be excluded as provided in subdivision 2, paragraph (c).
- Subd. 5. Legislative Coordinating Commission duties. (a) The director must reallocate and exclude people who are incarcerated in state or federal correctional facilities as provided in this subdivision and subdivision 2. Within 30 calendar days of receiving the Public Law 94-171 data from the United States Census Bureau, the director must post the population counts that reflect all required reallocations and exclusions on the Legislative Coordinating Commission's website.
- (b) The director must, in consultation with the commissioner, develop a standardized format and technical guidelines to be used in collecting addresses from incarcerated persons. The commissioner must use this format and follow the guidelines in collecting addresses. The commissioner and the director may enter a memorandum of understanding detailing the additional details regarding the methodology to be used and the format and manner in which the data will be provided. Notwithstanding any law to the contrary, the commissioner must provide the director with access to the best available data necessary to conduct the reallocations and exclusions required by this section.
- (c) Prior to reallocating and excluding incarcerated persons, the director must geocode addresses received from the commissioner. When geocoding addresses, the director must accept an address that is an exact match or is approximated to the street level and reject any address that is approximated to the center of a zip code, city, county, or state. The director must only reallocate those addresses that are accepted pursuant to this paragraph. The director must not reallocate any person at an address that was rejected but must instead count that person as part of the statewide population total.
- (d) The director must not disseminate data received pursuant to this section in any manner, except as explicitly required by state or federal law.
- **EFFECTIVE DATE.** This section is effective January 1, 2030, and applies to population counts used for redistricting conducted on or after that date.

### Sec. 3. [241.062] COLLECTION OF INCARCERATED PERSON'S ADDRESS.

- (a) As part of an incarcerated person's intake process, the commissioner of corrections must make all reasonable efforts to ensure that the information listed in section 2.93, subdivision 3, clauses (1) to (5), is collected and recorded. The information must be collected in compliance with the format and guidelines developed pursuant to section 2.93, subdivision 5. An incarcerated person who was participating in the Safe at Home program established in chapter 5B, who has safety concerns about providing a last residential address, or who has safety concerns for people residing at that address may decline to provide an address.
- (b) The incarcerated person's last residential address and the information listed in section 2.93, subdivision 3, clauses (1) to (5), collected on intake and maintained by the commissioner are private data on individuals as defined in section 13.02, subdivision 12.
- (c) Beginning in 2030, the commissioner must provide the information described in this section electronically to the director of the Legislative Coordinating Commission as required in section 2.93.

### Sec. 4. COLLECTION OF CURRENT INCARCERATED PERSON'S ADDRESS.

Prior to April 1, 2030, the commissioner of corrections must make reasonable efforts to collect from or confirm with each incarcerated person the following information:

- (1) the residential address of the person immediately prior to incarceration or, if the person resided in an area lacking a specific physical address immediately prior to incarceration, a description of the physical location where the person regularly stayed immediately prior to being incarcerated; and
- (2) the following demographic information: the racial and ethnic information collected by the census and whether the person is over the age of 18.

This section only applies to an incarcerated person who was incarcerated prior to the date the commissioner started routinely collecting the information in clauses (1) and (2) as part of the intake process."

# Delete the title and insert:

"A bill for an act relating to state government; providing for funding and policy and technical changes to elections and campaign finance provisions, including elections administration, campaign finance and lobbying, and census and redistricting; establishing the Minnesota Voting Rights Act; modifying the crime of using deep fakes to influence elections; modifying certain notary provisions; requiring reports; modifying transfers and appropriations; appropriating money; amending Minnesota Statutes 2022, sections 10A.01, subdivisions 7, 10d, 33, by adding a subdivision; 10A.27, subdivisions 8, 17; 123B.09, subdivision 5b; 201.071, subdivision 3; 201.13, subdivision 1a; 204B.175; 204C.06, subdivision 1, by adding a subdivision; 204C.19, subdivision 3; 204C.20, subdivision 1, by adding a subdivision; 204C.33, subdivision 1; 204C.35, subdivisions 1, 2, by adding a subdivision; 204C.36, subdivisions 2, 3; 205.10, subdivision 6; 205.16, subdivisions 4, 5; 205A.05, subdivision 3; 205A.07, subdivisions 3, 3b; 205A.11, subdivision 2; 206.89, subdivisions 2, 3, 5, 6; 208.06; 208.44; 208.47; 209.01, subdivision 2; 211A.01, subdivisions 3, 7, 8, by adding a subdivision; 211A.02, subdivision 2; 211A.05, subdivision 1; 211A.06; 211A.07; 211A.12; 211A.14; 211B.17, subdivision 1; 211B.18; 358.645, subdivision 2; 358.71; 359.01, subdivision 5; 359.03, subdivision 3; 375.08; 412.02, subdivision 6, by adding a subdivision; 447.32, subdivision 3; 609.5151, subdivisions 1, 2; Minnesota Statutes 2023 Supplement, sections 2.92, subdivision 4; 5.305, subdivision 5; 10A.01, subdivision 21; 10A.04, subdivision 6; 10A.20, subdivisions 2a, 12; 10A.201, subdivisions 3, 4, 6, 9; 10A.202, subdivision 1; 200.02, subdivision 7; 201.061, subdivisions 3, 3a; 201.071, subdivision 1; 201.091, subdivision 4; 201.1611, subdivision 1; 203B.04, subdivision 1; 203B.07, subdivision 3; 203B.081, subdivision 4; 203B.121, subdivision 2; 204B.06, subdivision 1b; 204B.09, subdivision 3; 204B.16, subdivision 1; 204B.295, subdivisions 1, 2, 3, by adding a subdivision; 204B.46; 204C.24, subdivision 1; 204C.33, subdivision 3; 205.16, subdivision 2; 206.61, subdivision 1; 211A.02, subdivision 1; 211B.076, subdivision 4; 243.205, by adding a subdivision; 609.771, subdivisions 2, 3, 4; Laws 2021, First Special Session chapter 12, article 1, section 6; Laws 2023, chapter 62, article 1, sections 6; 43; proposing coding for new law in Minnesota Statutes, chapters 2; 200; 203B; 241; 375; 471; proposing coding for new law as Minnesota Statutes, chapter 209A; repealing Minnesota Statutes 2022, sections 211A.01, subdivisions 2, 4; 211A.02, subdivision 4; 383B.031; Minnesota Statutes 2023 Supplement, sections 10A.201, subdivision 11; 243.205, subdivision 3."

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

House Conferees: MIKE FREIBERG, EMMA GREENMAN and BIANCA VIRNIG.

Senate Conferees: JIM CARLSON, BONNIE WESTLIN and LIZ BOLDON.

Freiberg moved that the report of the Conference Committee on H. F. No. 4772 be adopted and that the bill be repassed as amended by the Conference Committee.

Torkelson moved that the House refuse to adopt the report of the Conference Committee on H. F. No. 4772 and that the bill be returned to the Conference Committee.

A roll call was requested and properly seconded.

The Speaker assumed the Chair.

### LAY ON THE TABLE

Long moved that the Conference Committee Report on H. F. No. 4772 be laid on the table. The motion prevailed.

### MESSAGES FROM THE SENATE

The following messages were received from the Senate:

### Madam Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

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

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

THOMAS S. BOTTERN, Secretary of the Senate

### Madam Speaker:

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

S. F. No. 4699, A bill for an act relating to state government; modifying provisions governing health care, health insurance, health policy, emergency medical services, the Department of Health, the Department of Human Services, MNsure, health care workforce, health-related licensing boards, health care affordability and delivery, background studies, child protection and welfare, child care licensing, behavioral health, economic assistance, housing and homelessness, human services policy, the Minnesota Indian Family Preservation Act, and the Department of Children, Youth, and Families; establishing the Office of Emergency Medical Services; establishing the Minnesota African American Family Preservation and Child Welfare Disproportionality Act; making technical and conforming changes; requiring reports; imposing penalties; providing appointments; making forecast adjustments; appropriating money; amending Minnesota Statutes 2022, sections 16A.055, subdivision 1a, by adding a subdivision; 16A.103, by adding a subdivision; 62A.0411; 62A.15, subdivision 4, by adding a subdivision; 62A.28, subdivision 2; 62D.02, subdivisions 4, 7; 62D.03, subdivision 1; 62D.05, subdivision 1; 62D.06, subdivision 1; 62D.14, subdivision 1; 62D.19; 62D.20, subdivision 1; 62D.22, subdivision 5; 62E.02, subdivision 3; 62J.49, subdivision 1; 62J.61, subdivision 5; 62M.01, subdivision 3; 62Q.097, by adding a subdivision; 62Q.14; 62V.05, subdivision 12; 62V.08; 62V.11, subdivision 4; 103I.621, subdivisions 1, 2; 121A.15, subdivision 3, by adding a subdivision; 144.05, subdivision 6, by adding a subdivision; 144.058; 144.0724, subdivisions 2, 3a, 4, 6, 7, 8, 9, 11; 144.1464, subdivisions 1, 2, 3; 144.1501, subdivision 5; 144.1911, subdivision 2; 144.212, by adding a subdivision; 144.216, subdivision 2, by adding subdivisions; 144.218, by adding a subdivision; 144.292, subdivision 6; 144.293, subdivisions 2, 4, 9, 10; 144.493, by adding a subdivision; 144.494, subdivision 2; 144.551, subdivision 1; 144.555, subdivisions 1a, 1b, 2, by adding subdivisions; 144.605, by adding a subdivision; 144.99, subdivision 3; 144A.10, subdivisions 15, 16; 144A.471, by adding a subdivision; 144A.474, subdivision 13; 144A.61, subdivision 3a; 144A.70, subdivisions 3, 5, 6, 7; 144A.71, subdivision 2, by adding a subdivision; 144A.72, subdivision 1; 144A.73; 144E.001, subdivision 3a, by adding subdivisions; 144E.101, by adding a subdivision; 144E.16, subdivisions 5, 7; 144E.19, subdivision 3; 144E.27, subdivisions 3, 5, 6; 144E.28, subdivisions 3, 5, 6, 8; 144E.285, subdivisions 1, 2, 4, 6, by adding subdivisions; 144E.287; 144E.305, subdivision 3; 144G.08, subdivision 29; 144G.10, by adding a subdivision; 144G.16, subdivision 6; 146B.03, subdivision 7a; 146B.10, subdivisions 1, 3; 148.235, subdivision 10; 149A.02, subdivisions 3, 3b, 16, 23, 26a, 27, 35, 37c, by adding subdivisions; 149A.03; 149A.65; 149A.70, subdivisions 1, 2, 3, 5; 149A.71, subdivisions 2, 4; 149A.72, subdivisions 3, 9; 149A.73, subdivision 1; 149A.74, subdivision 1; 149A.93, subdivision 3; 149A.94, subdivisions 1, 3, 4; 149A.97, subdivision 2; 151.01, subdivisions 23, 27; 151.065, by adding subdivisions; 151.066, subdivisions 1, 2, 3; 151.212, by adding a subdivision; 151.37, by adding a subdivision; 151.74, subdivision 6; 152.22, subdivision 14, by adding a subdivision; 152.25, subdivision 2; 152.27, subdivisions 2, 6, by adding a subdivision; 176.175, subdivision 2; 214.025; 214.04, subdivision 2a; 214.29; 214.31; 214.355; 243.166, subdivision 7, as amended; 245.096; 245.462, subdivision 6; 245.4663, subdivision 2; 245A.04, subdivision 10, by adding a subdivision; 245A.043, subdivisions 2, 4, by adding subdivisions; 245A.07, subdivision 6; 245A.10, subdivisions 1, as amended, 2, as amended; 245A.14, subdivision 17; 245A.144; 245A.175; 245A.52, subdivision 2, by adding a subdivision; 245A.66, subdivision 2; 245C.05, subdivision 5; 245C.08, subdivision 4; 245C.10, subdivision 18; 245C.14, subdivision 1, by adding a subdivision; 245C.15, subdivisions 3, 4; 245C.22, subdivision 4; 245C.24, subdivisions 2, 5; 245C.30, by adding a subdivision; 245E.08; 245F.09, subdivision 2; 245F.14, by adding a subdivision; 245F.17; 245G.07, subdivision 4; 245G.08, subdivisions 5, 6; 245G.10, by adding a subdivision; 245G.22, subdivisions 6, 7; 245H.01, by adding subdivisions; 245H.08, subdivision 1; 245H.14, subdivisions 1, 4; 245I.02, subdivisions 17, 19; 245I.10, subdivision 9; 245I.11, subdivision 1, by adding a subdivision; 245I.20, subdivision 4; 245I.23, subdivision 14; 256.01, subdivision 41, by adding a subdivision; 256.029, as amended; 256.045, subdivisions 3b, as amended, 5, as amended, 7, as amended; 256.0451, subdivisions 1, as amended, 22, 24; 256.046, subdivision 2, as amended; 256.9657, subdivision 8, by adding a subdivision; 256.969, by adding subdivisions; 256B.056, subdivisions 1a, 10; 256B.0622, subdivisions 2a, 3a, 7a, 7d; 256B.0623, subdivision 5; 256B.0625, subdivisions 12, 20, 39, by adding subdivisions; 256B.0757, subdivisions 4a, 4d, by adding a subdivision; 256B.0943, subdivision 12; 256B.0947, subdivision 5; 256B.76, subdivision 6; 256B.795; 256I.04, subdivision 2f; 256J.08, subdivision 34a; 256J.28, subdivision 1; 256K.45, subdivision 2; 256N.22, subdivision 10; 256N.24, subdivision 10; 256N.26, subdivisions 12, 13, 15, 16, 18, 21, 22; 256P.05, by adding a subdivision; 256R.02, subdivision 20; 259.20, subdivision 2; 259.37, subdivision 2; 259.52, subdivisions 2, 4; 259.53, by adding a subdivision; 259.79, subdivision 1; 259.83, subdivision 4; 260.755, subdivisions 2a, 5, 14, 17a, by adding subdivisions; 260.775; 260.785, subdivisions 1, 3; 260.810, subdivision 3; 260C.007, subdivisions 6, 26b; 260C.141, by adding a subdivision; 260C.178, subdivisions 1, as amended, 7; 260C.202; 260C.209, subdivision 1; 260C.212, subdivisions 1, 2; 260C.301, subdivision 1, as amended; 260C.329, subdivisions 3, 8; 260C.4411, by adding a subdivision; 260C.515, subdivision 4; 260C.607, subdivisions 1, 6; 260C.611; 260C.613, subdivision 1; 260C.615, subdivision 1; 260D.01; 260E.03, subdivision 23, as amended; 260E.30, subdivision 3, as amended; 260E.33, subdivision 2, as amended; 317A.811, subdivisions 1, 2, 4; 393.07, subdivision 10a; 518.17, by adding a subdivision; 519.05; 524.3-801, as amended; Minnesota Statutes 2023 Supplement, sections 13.46, subdivision 4, as amended; 15A.0815, subdivision 2; 43A.08, subdivision 1a; 62J.84, subdivision 10; 62Q.46, subdivision 1; 62Q.473, by adding subdivisions; 62Q.522, subdivision 1; 119B.011, subdivision 15; 119B.16, subdivisions 1a, 1c; 119B.161, subdivision 2; 124D.142, subdivision 2, as amended; 142A.03, by adding a subdivision; 144.0526, subdivision 1; 144.1501, subdivisions 1, 2, 3, 4; 144.1505, subdivision 2; 144.2252, subdivision 2; 144.2253; 144.587, subdivision 4; 144A.4791, subdivision 10; 144E.101, subdivisions 6, 7, as amended; 145.561, subdivision 4; 151.555, subdivisions 1, 4, 5, 6, 7, 8, 9, 11, 12; 151.74, subdivision 3; 152.126, subdivision 6; 152.28, subdivision 1; 245.4889, subdivision 1; 245A.02, subdivision 2c; 245A.03, subdivisions 2, as amended, 7, as amended; 245A.043, subdivision 3; 245A.07, subdivision 1, as amended; 245A.11, subdivision 7; 245A.16, subdivisions 1, as amended, 11; 245A.211, subdivision 4; 245A.242, subdivision 2; 245A.50, subdivisions 3, 4; 245A.66, subdivision 4, as amended; 245C.02, subdivisions 6a, 13e; 245C.033, subdivision 3; 245C.08, subdivision 1; 245C.10, subdivision 15; 245C.15, subdivisions 2, 4a; 245C.31, subdivision 1; 245G.22, subdivisions 2, 17; 245H.06, subdivisions 1, 2; 245H.08, subdivisions 4, 5; 254B.04, subdivision 1a; 256.01, subdivision 12b; 256.043, subdivisions 3, 3a; 256.045, subdivision 3, as amended; 256.046, subdivision 3; 256.0471, subdivision 1, as amended; 256.969, subdivision 2b; 256B.0622, subdivisions 7b, 8; 256B.0625, subdivisions 3a, 5m, 9, 13e, as amended, 13f, 13k, 16; 256B.064, subdivision 4; 256B.0671, subdivision 5; 256B.0701, subdivision 6; 256B.0947, subdivision 7; 256B.764; 256D.01, subdivision 1a; 256E.38, subdivision 4; 256I.05, subdivisions 1a, 11; 256L.03, subdivision 1; 256M.42, by adding a subdivision; 256P.06, subdivision 3; 259.83, subdivisions 1, 1b, 3a; 260.014, by adding a subdivision; 260.755, subdivisions 1a, 3, 3a, 5b, 20, 22; 260.758, subdivisions 2, 4, 5; 260.761; 260.762; 260.763, subdivisions 1, 4, 5; 260.765, subdivisions 2, 3a, 4b; 260.771, subdivisions 1a, 1b, 1c, 2b, 2d, 6, by adding a subdivision; 260.773, subdivisions 1, 2, 3, 4, 5, 10, 11; 260.774, subdivisions 1, 2, 3; 260.781, subdivision 1; 260.786, subdivision 2; 260.795, subdivision 1; 342.01, subdivision 63: 342.52, subdivision 3: 342.53; 342.54, subdivision 2: 342.55, subdivision 2: 518A.42, subdivision 3: Laws 1987, chapter 404, section 18, subdivision 1; Laws 2023, chapter 22, section 4, subdivision 2; Laws 2023, chapter 57, article 1, section 6; Laws 2023, chapter 70, article 1, section 35; article 11, section 13, subdivision 8; article 12, section 30, subdivisions 2, 3; article 14, section 42, subdivision 6; article 20, sections 2, subdivisions 5, 22, 24, 29, 31; 3, subdivision 2; 12, as amended; 23; Laws 2024, chapter 80, article 1, sections 38, subdivisions 1, 2, 5, 6, 7, 9; 96; article 2, sections 5, subdivision 21, by adding a subdivision; 6, subdivisions 2, 3, 3a, by adding a subdivision; 7, subdivision 2; 10, subdivisions 1, 6; 16, subdivision 1, by adding a subdivision; 30, subdivision 2; 31; 74; article 4, section 26; article 6, section 4; article 7, section 4; proposing coding for new law in Minnesota Statutes, chapters 62D; 62J; 62Q; 137; 142A; 144; 144A; 144E; 145; 149A; 151; 214; 245C; 245H; 256B; 259; 260; 260D; 260E; 524; proposing coding for new law as Minnesota Statutes, chapters 142B; 142F; 332C; repealing Minnesota Statutes 2022, sections 62A.041, subdivision 3; 144.218, subdivision 3; 144.497; 144E.001, subdivision 5; 144E.01; 144E.123, subdivision 5; 144E.27, subdivisions 1, 1a; 144E.50, subdivision 3; 245A.065; 245C.125; 256.01, subdivisions 12, 12a; 256B.79, subdivision 6; 256D.19, subdivisions 1, 2; 256D.20, subdivisions 1, 2, 3, 4; 256D.23, subdivisions 1, 2, 3; 256R.02, subdivision 46; 260.755, subdivision 13; Minnesota Statutes 2023

Supplement, sections 62J.312, subdivision 6; 62Q.522, subdivisions 3, 4; 144.0528, subdivision 5; 245C.08, subdivision 2; Laws 2023, chapter 25, section 190, subdivision 10; Laws 2024, chapter 80, article 1, sections 38, subdivisions 3, 4, 11; 39; 43, subdivision 2; article 2, sections 1, subdivision 11; 3, subdivision 3; 4, subdivision 4; 6, subdivision 4; 10, subdivision 4; 33; 69; article 7, sections 3; 9; Minnesota Rules, parts 9502.0425, subparts 5, 10; 9545.0805, subpart 1; 9545.0845; 9560.0232, subpart 5.

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

Senators Wiklund, Mann, and Kupec.

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

THOMAS S. BOTTERN, Secretary of the Senate

Liebling moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 4699. The motion prevailed.

# Madam Speaker:

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

S. F. No. 4942, A bill for an act relating to state government; authorizing supplemental agriculture appropriations; providing broadband appropriation transfer authority; making policy and technical changes to agriculture provisions; establishing and modifying agriculture programs; requiring an application for federal broadband aid; modifying appropriations to the Office of Cannabis Management and the Department of Health; modifying fees assessed by the Department of Commerce; adding the Minnesota Consumer Data Privacy Act; adding and modifying consumer protection provisions; appropriating money for energy, utilities, environment, and climate; requiring utilities to accept an individual taxpayer identification number when new customers apply for utility service; allowing public utilities providing electric service to propose goals for fuel-switching improvement achievements to the commissioner of commerce; modifying the commercial property assessed clean energy program; making technical changes to various provisions governing or administered by the Department of Commerce; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 17.116, subdivision 2; 17.133, subdivision 1; 18C.70, subdivision 5; 18C.71, subdivision 4; 18C.80, subdivision 2; 28A.10; 31.94; 32D.30; 41B.047, subdivision 1; 45.0135, subdivision 7; 62Q.73, subdivision 3; 116J.396, by adding a subdivision; 216B.098, by adding a subdivision; 216B.16, subdivisions 6c, 8; 216B.2402, subdivision 10, by adding a subdivision; 216B.2403, subdivisions 2, 3, 5, 8; 216B.241, subdivisions 2, 11, 12; 216B.243, subdivision 3b; 216C.10; 216C.435, subdivisions 3a, 3b, 4, 10, by adding subdivisions; 216C.436, subdivisions 1, 4, 7, 8, 10; 325E.21, by adding a subdivision; Minnesota Statutes 2023 Supplement, sections 17.055, subdivision 3; 17.133, subdivision 3; 18C.425, subdivision 6; 35.155, subdivision 12; 41B.0391, subdivisions 1, 2, 4, 6; 116C.779, subdivision 1; 144.197; 216B.1691, subdivision 1; 216C.08; 216C.09; 216C.435, subdivision 8; 216C.436, subdivisions 1b, 2; 325E.21, subdivision 1b; 342.72; Laws 2023, chapter 43, article 1, section 2, subdivisions 1, 2, 3, 4, 5; Laws 2023, chapter 63, article 9, sections 5; 10; 15, subdivision 4; 20; proposing coding for new law in Minnesota Statutes, chapters 13; 58B; 62J; 216B; 216C; proposing coding for new law as Minnesota Statutes, chapter 325O; repealing Minnesota Statutes 2022, section 34.07.

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

Senators Frentz, Klein, Putnam, Xiong, and Dahms.

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

THOMAS S. BOTTERN, Secretary of the Senate

Acomb moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 5 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 4942. The motion prevailed.

### CALENDAR FOR THE DAY

S. F. No. 37 was reported to the House.

#### LAY ON THE TABLE

Long moved that S. F. No. 37 be laid on the table. The motion prevailed.

H. F. No. 3276 was reported to the House.

### LAY ON THE TABLE

Long moved that H. F. No. 3276 be laid on the table. The motion prevailed.

H. F. No. 4657 was reported to the House.

# LAY ON THE TABLE

Long moved that H. F. No. 4657 be laid on the table. The motion prevailed.

# MOTIONS AND RESOLUTIONS

Her moved that the names of Pursell and Coulter be added as authors on H. F. No. 173. The motion prevailed.

Elkins moved that the name of Smith be added as an author on H. F. No. 1342. The motion prevailed.

Frazier moved that the name of Pursell be added as an author on H. F. No. 3276. The motion prevailed.

Berg moved that the name of Jordan be added as an author on H. F. No. 3446. The motion prevailed.

Hollins moved that the name of Fischer be added as an author on H. F. No. 3566. The motion prevailed.

Reyer moved that the names of Smith and Kozlowski be added as authors on H. F. No. 3891. The motion prevailed.

Pelowski moved that the name of Wolgamott be added as an author on H. F. No. 4024. The motion prevailed.

Freiberg moved that the name of Clardy be added as an author on H. F. No. 4182. The motion prevailed.

Freiberg moved that the name of Clardy be added as an author on H. F. No. 4186. The motion prevailed.

Hussein moved that the name of Fischer be added as an author on H. F. No. 4315. The motion prevailed.

Noor moved that the name of Clardy be added as an author on H. F. No. 4606. The motion prevailed.

Hanson, J., moved that the name of Clardy be added as an author on H. F. No. 4667. The motion prevailed.

Hansen, R., moved that the name of Clardy be added as an author on H. F. No. 5403. The motion prevailed.

Feist moved that the name of Feist be stricken as an author on H. F. No. 5442. The motion prevailed.

Clardy moved that the name of Hicks be added as an author on H. F. No. 5463. The motion prevailed.

### ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2609:

Berg, Moller and Witte.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 4699:

Liebling, Pinto and Bierman.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 4942:

Acomb, Stephenson, Vang, Pursell and Kraft.

### MOTION TO FIX TIME TO CONVENE

Long moved that when the House adjourns today it adjourn until 11:00 a.m., Wednesday, May 15, 2024. The motion prevailed.

### TAKEN FROM THE TABLE

Long moved that the Conference Committee Report on H. F. No. 4772 be taken from the table. The motion prevailed.

The Torkelson motion that the House refuse to adopt the report of the Conference Committee on H. F. No. 4772 and that the bill be returned to the Conference Committee was again before the House.

A roll call was requested and properly seconded.

The question was taken on the Torkelson motion and the roll was called. There were 63 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Altendorf	Davis	Hudson	Mekeland	Olson, B.	Swedzinski
Anderson, P. E.	Demuth	Igo	Mueller	Perryman	Torkelson
Anderson, P. H.	Dotseth	Jacob	Murphy	Petersburg	Urdahl
Backer	Engen	Johnson	Myers	Pfarr	West
Bakeberg	Fogelman	Joy	Nadeau	Quam	Wiener
Baker	Franson	Kiel	Nash	Rarick	Wiens
Bennett	Garofalo	Knudsen	Nelson, N.	Robbins	Witte
Bliss	Gillman	Koznick	Neu Brindley	Schomacker	Zeleznikar
Burkel	Grossell	Kresha	Niska	Schultz	
Daniels	Harder	Lawrence	Novotny	Scott	
Davids	Heintzeman	McDonald	O'Driscoll	Skraba	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Klevorn	Nelson, M.	Smith
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Newton	Stephenson
Bahner	Feist	Her	Kotyza-Witthuhn	Noor	Tabke
Becker-Finn	Finke	Hicks	Kozlowski	Norris	Vang
Berg	Fischer	Hill	Kraft	Olson, L.	Virnig
Bierman	Frazier	Hollins	Lee, F.	Pérez-Vega	Wolgamott
Brand	Frederick	Hornstein	Lee, K.	Pinto	Xiong
Carroll	Freiberg	Howard	Liebling	Pryor	Youakim
Cha	Gomez	Huot	Lillie	Pursell	Spk. Hortman
Clardy	Greenman	Hussein	Lislegard	Rehm	
Coulter	Hansen, R.	Jordan	Long	Reyer	
Curran	Hanson, J.	Keeler	Moller	Sencer-Mura	

The motion did not prevail.

The question recurred on the Freiberg motion that the report of the Conference Committee on H. F. No. 4772 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 4772, A bill for an act relating to elections; providing for policy and technical changes to elections and campaign finance provisions, including elections administration, campaign finance and lobbying, and census and redistricting; establishing the Minnesota Voting Rights Act; modifying the crime of using deep fakes to influence elections; requiring reports; amending Minnesota Statutes 2022, sections 10A.01, subdivision 33, by adding a subdivision; 123B.09, subdivision 5b; 201.071, subdivision 3; 204B.175; 204C.06, subdivision 1, by adding a subdivision; 204C.19, subdivision 3; 204C.20, subdivision 1, by adding a subdivision; 204C.33, subdivisions 1, 2, by adding a subdivision; 204C.36, subdivisions 2, 3; 205.16, subdivisions 4, 5; 205A.05, subdivision 3; 205A.07, subdivisions 3, 3b; 205A.11, subdivision 2; 206.89, subdivisions 2, 3, 5, 6; 208.06; 208.44;

208.47; 211B.17, subdivision 1; 211B.18; 375.08; 412.02, subdivision 6, by adding a subdivision; 447.32, subdivision 3; Minnesota Statutes 2023 Supplement, sections 2.92, subdivision 4; 10A.01, subdivision 21; 10A.201, subdivisions 3, 4, 6, 9; 10A.202, subdivision 1; 200.02, subdivision 7; 201.061, subdivisions 3, 3a; 201.071, subdivision 1; 201.1611, subdivision 1; 203B.04, subdivision 1; 203B.07, subdivision 3; 203B.081, subdivision 4; 204B.09, subdivision 3; 204B.16, subdivision 1; 204B.295, subdivisions 1, 2, 3, by adding a subdivision; 204C.24, subdivision 1; 204C.33, subdivision 3; 205.16, subdivision 2; 206.61, subdivision 1; 609.771, subdivisions 2, 3, 4, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 2; 200; 241; 375; repealing Minnesota Statutes 2022, section 383B.031; Minnesota Statutes 2023 Supplement, section 10A.201, subdivision 11.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 70 yeas and 63 nays as follows:

Those who voted in the affirmative were:

Acomb	Edelson	Hassan	Klevorn	Nelson, M.	Sencer-Mura
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Newton	Smith
Bahner	Feist	Her	Kotyza-Witthuhn	Noor	Stephenson
Becker-Finn	Finke	Hicks	Kozlowski	Norris	Tabke
Berg	Fischer	Hill	Kraft	Olson, L.	Vang
Bierman	Frazier	Hollins	Lee, F.	Pelowski	Virnig
Brand	Frederick	Hornstein	Lee, K.	Pérez-Vega	Wolgamott
Carroll	Freiberg	Howard	Liebling	Pinto	Xiong
Cha	Gomez	Huot	Lillie	Pryor	Youakim
Clardy	Greenman	Hussein	Lislegard	Pursell	Spk. Hortman
Coulter	Hansen, R.	Jordan	Long	Rehm	
Curran	Hanson, J.	Keeler	Moller	Reyer	

Those who voted in the negative were:

Altendorf	Davis	Hudson	Mekeland	Olson, B.	Swedzinski
Anderson, P. E.	Demuth	Igo	Mueller	Perryman	Torkelson
Anderson, P. H.	Dotseth	Jacob	Murphy	Petersburg	Urdahl
Backer	Engen	Johnson	Myers	Pfarr	West
Bakeberg	Fogelman	Joy	Nadeau	Quam	Wiener
Baker	Franson	Kiel	Nash	Rarick	Wiens
Bennett	Garofalo	Knudsen	Nelson, N.	Robbins	Witte
Bliss	Gillman	Koznick	Neu Brindley	Schomacker	Zeleznikar
Burkel	Grossell	Kresha	Niska	Schultz	
Daniels	Harder	Lawrence	Novotny	Scott	
Davids	Heintzeman	McDonald	O'Driscoll	Skraba	

The bill was repassed, as amended by Conference, and its title agreed to.

### **ADJOURNMENT**

Long moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 11:00 a.m., Wednesday, May 15, 2024.