STATE OF MINNESOTA

Journal of the House

NINETY-FOURTH SESSION — 2025

NINETEENTH LEGISLATIVE DAY

SAINT PAUL, MINNESOTA, MONDAY, APRIL 7, 2025

The House of Representatives convened at 3:30 p.m. and was called to order by Lisa Demuth, Speaker of the House.

Prayer was offered by the Reverend Christy Stang, Associate Rector for Worship and Spiritual Life, St. Stephen's Episcopal Church, Edina, 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	Duran	Hemmingsen-Jaeger	Koznick	Novotny	Smith
Agbaje	Elkins	Her	Kraft	O'Driscoll	Stephenson
Allen	Engen	Hicks	Kresha	Olson	Stier
Altendorf	Falconer	Hill	Lawrence	Pérez-Vega	Swedzinski
Anderson, P. E.	Feist	Hollins	Lee, F.	Perryman	Tabke
Anderson, P. H.	Finke	Hortman	Lee, K.	Pinto	Torkelson
Backer	Fischer	Howard	Liebling	Pursell	Van Binsbergen
Bahner	Fogelman	Hudson	Lillie	Quam	Vang
Bakeberg	Franson	Huot	Long	Rarick	Virnig
Baker	Frazier	Hussein	Mahamoud	Rehm	Warwas
Bennett	Frederick	Igo	McDonald	Rehrauer	West
Berg	Freiberg	Jacob	Mekeland	Repinski	Wiener
Bierman	Gander	Johnson, P.	Moller	Reyer	Witte
Bliss	Gillman	Johnson, W.	Momanyi-Hiltsley	Roach	Wolgamott
Burkel	Gomez	Jones	Mueller	Robbins	Xiong
Cha	Gordon	Jordan	Murphy	Rymer	Youakim
Clardy	Gottfried	Joy	Myers	Schomacker	Zeleznikar
Coulter	Greene	Keeler	Nadeau	Schultz	Spk. Demuth
Curran	Greenman	Klevorn	Nash	Schwartz	
Davids	Hansen, R.	Knudsen	Nelson	Scott	
Davis	Hanson, J.	Koegel	Niska	Sencer-Mura	
Dippel	Harder	Kotyza-Witthuhn	Noor	Sexton	
Dotseth	Heintzeman	Kozlowski	Norris	Skraba	

A quorum was present.

Carroll was excused.

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

REPORTS OF STANDING COMMITTEES AND DIVISIONS

Klevorn and Nash from the Committee on State Government Finance and Policy to which was referred:

H. F. No. 361, A bill for an act relating to state government; applying nonstate funding for implementation of the Capitol Mall Design Framework; appropriating money to improve livability in the Capitol Area and to support grantmaking for community vitality grants; repealing Laws 2023, chapter 53, article 17, section 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Laws 2023, chapter 62, article 1, section 11, subdivision 2, is amended to read:

Subd. 2. **Government and Citizen Services**	39,928,000	19,943,000

The base for this appropriation is $17,268,000 in fiscal year 2026 and $17,280,000 in fiscal year 2027.

Council on Developmental Disabilities. $222,000 each year is for the Council on Developmental Disabilities.

State Agency Accommodation Reimbursement. $200,000 each year may be transferred to the accommodation account established in Minnesota Statutes, section 16B.4805.

Disparity Study. $500,000 the first year and $1,000,000 the second year are to conduct a study on disparities in state procurement. This is a onetime appropriation.

Grants Administration Oversight. $2,411,000 the first year and $1,782,000 the second year are for grants administration oversight. The base for this appropriation in fiscal year 2026 and each year thereafter is $1,581,000.

$735,000 the first year and $201,000 the second year are for a study to develop a road map on the need for an enterprise grants management system and to implement the study's recommendation. This is a onetime appropriation.

Risk Management Fund Property Self-Insurance. $12,500,000 the first year is for transfer to the risk management fund under Minnesota Statutes, section 16B.85. This is a onetime appropriation.

Office of Enterprise Translations. $1,306,000 the first year and $1,159,000 the second year are to establish the Office of Enterprise Translations. $250,000 each year may be transferred to the language access service account established in Minnesota Statutes, section 16B.373.

Capitol Mall Design Framework Implementation. $5,000,000 the first year is to implement the updated Capitol Mall Design Framework, prioritizing the framework plans identified in article 2, section 124. This appropriation is available until ~~December 31, 2024~~ June 30, 2026.

Parking Fund. $3,255,000 the first year and $1,085,000 the second year are for a transfer to the state parking account to maintain the operations of the parking and transit program on the Capitol complex. These are onetime transfers.

Procurement; Environmental Analysis and Task Force. $522,000 the first year and $367,000 the second year are to implement the provisions of Minnesota Statutes, section 16B.312.

Center for Rural Policy and Development. $100,000 the first year is for a grant to the Center for Rural Policy and Development.

EFFECTIVE DATE. This section is effective retroactively from July 1, 2024."

Delete the title and insert:

"A bill for an act relating to state government; extending the availability of an appropriation for implementing the Capitol Mall Design Framework; amending Laws 2023, chapter 62, article 1, section 11, subdivision 2."

With the recommendation that when so amended the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

Moller and Novotny from the Committee on Public Safety Finance and Policy to which was referred:

H. F. No. 538, A bill for an act relating to public safety; modifying use of deadly force by peace officer to protect person from apparent death; amending Minnesota Statutes 2024, section 609.066, subdivision 2.

Reported the same back with the following amendments:

Page 1, line 10, after "to" insert "or perceived by"

Page 1, line 12, delete "apparent"

Amend the title as follows:

Page 1, line 3, delete "apparent"

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

The report was adopted.

Noor and Schomacker from the Committee on Human Services Finance and Policy to which was referred:

H. F. No. 729, A bill for an act relating to human services; expanding certain medical assistance services to include coverage of care evaluations; modifying medical assistance rates for homemaker services, home health agency services, and home care nursing services; requiring a report; amending Minnesota Statutes 2024, sections 256B.0651, subdivisions 1, 2; 256B.0652, subdivision 11; 256B.0653, subdivisions 1, 6, by adding a subdivision; 256B.0654, by adding a subdivision.

Reported the same back with the following amendments:

Page 6, delete section 9, and insert:

"Sec. 9. **HOME CARE PRECEPTOR GRANT PROGRAM.**

Subdivision 1. **Establishment.** The commissioner of human services must establish a onetime grant program for incentive compensation and benefits for home care nurse employees who serve as a preceptor of a nursing student.

Subd. 2. **Eligible grant recipients.** Only home care providers licensed under Minnesota Statutes, chapter 144A, are eligible grant recipients under this section.

Subd. 3. **Allowable uses.** Grant money must be directed toward employees providing home care services licensed under Minnesota Statutes, chapter 144A. The only allowable use of grant money is incentive compensation and benefits for home care nurse employees who serve as a preceptor of a nursing student.

Subd. 4. **Selection process.** The commissioner shall select grantees based on information submitted in a grant proposal in a format as determined by the commissioner. The commissioner shall take into account relevant factors including the demonstrated need for an award for preceptors, the percentage of an organization's clients that are enrolled in medical assistance and MinnesotaCare, statewide geographical distribution of awarded grants, and other criteria as determined by the commissioner.

Subd. 5. **Report.** By July 1, 2028, each grant recipient must submit a report to the commissioner that includes details of how the grant money was distributed.

Subd. 6. **Expiration.** Subdivisions 1 to 4 expire January 1, 2028. This subdivision and subdivision 5 expire July 1, 2028.

Sec. 10. **APPROPRIATION; HOME CARE PRECEPTOR GRANT PROGRAM.**

$.....in fiscal year 2026 is appropriated from the general fund to the commissioner of human services for the home care preceptor grant program. This is a onetime appropriation and is available until June 30, 2028."

Amend the title as follows:

Page 1, line 4, after "services;" insert "establishing a home care preceptor grant program;"

Page 1, line 5, after the semicolon, insert "appropriating money;"

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

The report was adopted.

Koegel and Koznick from the Committee on Transportation Finance and Policy to which was referred:

H. F. No. 750, A bill for an act relating to public safety; expanding driver's license suspensions to include all cases where a person is believed to have committed criminal vehicular homicide or criminal vehicular operation; requiring peace officers to report all cases where a person is believed to have committed criminal vehicular homicide or criminal vehicular operation; amending Minnesota Statutes 2024, sections 171.187, subdivisions 1, 3; 629.344.

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

The report was adopted.

Koegel and Koznick from the Committee on Transportation Finance and Policy to which was referred:

H. F. No. 854, A bill for an act relating to transportation; designating a segment of marked Trunk Highway 23 in Kandiyohi County as Joshua Schmidt Memorial Highway; amending Minnesota Statutes 2024, section 161.14, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, lines 8 and 10, delete "Joshua Schmidt" and insert "Sergeant Joshua A. Schmit"

Page 1, line 9, delete "its intersection with" and insert "the interchange with marked"

Page 1, line 11, delete "shall" and insert "must"

Amend the title as follows:

Page 1, line 3, delete "Joshua Schmidt" and insert "Sergeant Joshua A. Schmit"

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

The report was adopted.

Moller and Novotny from the Committee on Public Safety Finance and Policy to which was referred:

H. F. No. 963, A bill for an act relating to corrections; authorizing commissioner of corrections to revoke earned incentive credits granted under Minnesota Rehabilitation and Reinvestment Act; amending Minnesota Statutes 2024, section 244.44.

Reported the same back with the following amendments:

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 2024, section 244.41, subdivision 6, is amended to read:

Subd. 6. **Earned compliance credit.** "Earned compliance credit" means a one-month reduction from the period ~~during~~ of active supervision ~~of~~ during the supervised release term for every two months that a supervised individual exhibits compliance with the conditions and goals of the individual's supervision plan, and otherwise meets the

criteria established by the commissioner of corrections in policy. If an individual earns sufficient earned compliance credits, the commissioner must weigh risk to public safety, including the individual's stability, behavior, or overall adjustment while on supervision before placement on supervision abatement status. Earned compliance credit also applies to a conditional release term."

Page 1, after line 15, insert:

"Sec. 3. Minnesota Statutes 2024, section 244.46, subdivision 1, is amended to read:

Subdivision 1. **Adopting policy for earned compliance credit; supervision abatement status.** (a) The commissioner must adopt a policy providing for earned compliance credit and supervision abatement status, including the circumstances under which an individual may receive earned compliance credits and transition to supervision abatement status.

(b) Except as otherwise provided in the act, once the time served on active supervision plus earned compliance credits equals the total length of the supervised release term or, if applicable, the aggregate length of the supervised release term and conditional release term, the individual is eligible for supervision abatement status. However, the commissioner must not place the individual on supervision abatement status for the remainder of the supervised or conditional release term ~~and, if applicable, the conditional release term~~ if the commissioner determines that doing so would present a risk to public safety, after weighing factors including the individual's stability, behavior, or overall adjustment while on supervision. For individuals with lifetime terms of conditional release, the commissioner shall not place the individual on supervision abatement status unless the time served on active supervision plus earned compliance credits equals at least ten years."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "modifying earned incentive release and supervision abatement status;"

Correct the title numbers accordingly

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

The report was adopted.

Franson and Lee, F., from the Committee on Capital Investment to which was referred:

H. F. No. 1090, A bill for an act relating to capital investment; renaming the library construction grant program; amending Minnesota Statutes 2024, section 134.45.

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

The report was adopted.

Bennett and Jordan from the Committee on Education Policy to which was referred:

H. F. No. 1124, A bill for an act relating to education; allowing a school year to start before Labor Day for two school years; requiring a report.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **SCHOOL START DATE FOR THE 2026-2027 AND 2027-2028 SCHOOL YEARS ONLY.**

Notwithstanding Minnesota Statutes, section 120A.40, paragraph (a), or other law to the contrary, for the 2026-2027 and 2027-2028 school years only, a school board may vote to begin the school year on September 1 or later. Nothing in this section limits a district's authority to begin the school year on any day before Labor Day under section 120A.40, paragraph (b).

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

Delete the title and insert:

"A bill for an act relating to education; allowing modified school year start dates."

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

The report was adopted.

Her and O'Driscoll from the Committee on Commerce Finance and Policy to which was referred:

H. F. No. 1224, A bill for an act relating to mortgages; modifying provisions governing postponement of foreclosure by sale; amending Minnesota Statutes 2024, sections 580.07, subdivisions 1, 2; 581.02.

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

The report was adopted.

Her and O'Driscoll from the Committee on Commerce Finance and Policy to which was referred:

H. F. No. 1289, A bill for an act relating to consumer protection; requiring social media platforms to post a mental health warning label and timer notifications; amending Minnesota Statutes 2024, section 325M.34; proposing coding for new law in Minnesota Statutes, chapter 325M.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Health Finance and Policy.

The report was adopted.

Bennett and Jordan from the Committee on Education Policy to which was referred:

H. F. No. 1306, A bill for an act relating to education; making changes to kindergarten through grade 12 education; modifying provisions for general education, education excellence, charter schools, the Read Act, special education, school nutrition, and state agencies; requiring reports; amending Minnesota Statutes 2024, sections 13.32, subdivision 5; 13.82, subdivision 1; 120B.021, subdivisions 2, 3; 120B.024, subdivision 2; 120B.11, subdivision 1; 120B.117, subdivision 4; 120B.119, subdivisions 2a, 10; 120B.12, subdivisions 1, 2, 2a, 3, 4, 4a; 120B.123, subdivisions 1, 5, 7; 120B.124, subdivision 2; 120B.35, subdivision 3; 121A.031, subdivisions 2, 4, 6; 121A.41, subdivision 10; 121A.49; 124D.09, subdivisions 5, 5a, 5b, 9, 10; 124D.094, subdivision 1; 124D.117, subdivision 2; 124D.119, subdivision 5; 124D.162; 124D.42, subdivision 8; 124D.52, subdivision 2; 124E.02; 124E.03, subdivision 2; 124E.06, subdivision 7, by adding a subdivision; 124E.07, subdivision 8; 124E.16, subdivisions 1, 3, by adding a subdivision; 124E.26, subdivisions 4, 5, by adding a subdivision; 125A.091, subdivisions 3a, 5; 127A.21, subdivisions 1, 1a, 4, 5, 6, 7, by adding subdivisions; 127A.49, subdivision 3; 268.19, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 13; 121A; 125A; repealing Minnesota Statutes 2024, section 120B.124, subdivision 6.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
GENERAL EDUCATION

Section 1. Minnesota Statutes 2024, section 124D.09, subdivision 5, is amended to read:

Subd. 5. **Authorization; notification.** (a) Notwithstanding any other law to the contrary, an 11th or 12th grade pupil enrolled in a district, a charter school, or an American Indian-controlled Tribal contract or grant school eligible for aid under section 124D.83, except a foreign exchange pupil enrolled in a district under a cultural exchange program, may apply to an eligible institution, as defined in subdivision 3, to enroll in nonsectarian courses offered by that postsecondary institution.

(b) If an institution accepts a secondary pupil for enrollment under this section, the institution shall send written notice to the pupil, the pupil's school or school district, and the commissioner. The notice must indicate the course and hours of enrollment of that pupil. The institution must notify the pupil's school as soon as practicable if the pupil withdraws from the enrolled course. The institution must also notify the pupil's school as soon as practicable if the pupil has been absent from a course for ten consecutive days on which classes are held, based upon the postsecondary institution's academic calendar, and the pupil is not receiving instruction in their home or hospital or other facility.

(c) If the pupil enrolls in a course for postsecondary credit, the institution must notify:

(1) the pupil about payment in the customary manner used by the institution.; and

(2) the pupil's school as soon as practicable if the pupil withdraws from the course or stops attending the course.

Sec. 2. Minnesota Statutes 2024, section 124D.09, subdivision 5a, is amended to read:

Subd. 5a. **Authorization; career or technical education.** A 10th, 11th, or 12th grade pupil enrolled in a district, a charter school, or an American Indian-controlled tribal contract or grant school eligible for aid under section 124D.83, except a foreign exchange pupil enrolled in a district under a cultural exchange program, may enroll in a career or technical education course offered by a Minnesota state college or university. A 10th grade

pupil applying for enrollment in a career or technical education course under this subdivision must have received a passing score on the 8th grade Minnesota Comprehensive Assessment in reading as a condition of enrollment. A current 10th grade pupil who did not take the 8th grade Minnesota Comprehensive Assessment in reading may substitute another reading assessment accepted by the enrolling postsecondary institution. A secondary pupil may enroll in the pupil's first postsecondary options enrollment course under this subdivision. A student who is refused enrollment by a Minnesota state college or university under this subdivision may apply to an eligible institution offering a career or technical education course. The postsecondary institution must give priority to its students according to subdivision 9. If a secondary student receives a grade of "C" or better in the career or technical education course taken under this subdivision, the postsecondary institution must allow the student to take additional postsecondary courses for secondary credit at that institution, not to exceed the limits in subdivision 8. A "career or technical course" is a course that is part of a career and technical education program that provides individuals with coherent, rigorous content aligned with academic standards and relevant technical knowledge and skills needed to prepare for further education and careers in current and emerging professions and provide technical skill proficiency, an industry recognized credential, and a certificate, a diploma, or an associate degree.

Sec. 3. Minnesota Statutes 2024, section 124D.09, subdivision 9, is amended to read:

Subd. 9. **Enrollment priority.** (a) A postsecondary institution must give priority to its postsecondary students when enrolling pupils in grades 10, 11, and 12 in its courses. A postsecondary institution may provide information about its programs to a secondary school or to a pupil or parent and it may advertise or otherwise recruit or solicit a secondary pupil to enroll in its programs on educational and programmatic grounds only ~~except~~, notwithstanding other law to the contrary~~, and for the 2014-2015 through 2019-2020 school years only, an eligible postsecondary institution may advertise or otherwise recruit or solicit a secondary pupil residing in a school district with 700 students or more in grades 10, 11, and 12, to enroll in its programs on educational, programmatic, or financial grounds~~.

(b) An institution must not enroll secondary pupils, for postsecondary enrollment options purposes, in remedial, developmental, or other courses that are not college level except when a student eligible to participate and enrolled in the graduation incentives program under section 124D.68 enrolls full time in a middle or early college program. A middle or early college program must be specifically designed to allow the student to earn dual high school and college credit with a well-defined pathway to allow the student to earn a postsecondary degree or credential. In this case, the student must receive developmental college credit and not college credit for completing remedial or developmental courses.

(c) Once a pupil has been enrolled in any postsecondary course under this section, the pupil must not be displaced by another student.

(d) If a postsecondary institution enrolls a secondary school pupil in a course under this section, the postsecondary institution also must enroll in the same course an otherwise enrolled and qualified postsecondary student who qualifies as a veteran under section 197.447, and demonstrates to the postsecondary institution's satisfaction that the institution's established enrollment timelines were not practicable for that student.

(e) A postsecondary institution must allow secondary pupils to enroll in online courses under this section consistent with the institution's policy regarding postsecondary pupil enrollment in online courses.

Sec. 4. Minnesota Statutes 2024, section 124D.094, subdivision 1, is amended to read:

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

(b) "Blended instruction" means a form of digital instruction that occurs when a student learns part time in a supervised physical setting and part time through online instruction under paragraph (f).

(c) "Digital instruction" means instruction facilitated by technology that offers students an element of control over the time, place, path, or pace of learning and includes blended and online instruction.

(d) "Enrolling district" means the school district or charter school in which a student is enrolled under section ~~120A.22, subdivision 4~~ 120A.05, subdivision 8, or chapter 124E.

(e) "Online course syllabus" means a written document that identifies the state academic standards taught and assessed in a supplemental online course under paragraph (j); course content outline; required course assessments; instructional methods; communication procedures with students, guardians, and the enrolling district under paragraph (d); and supports available to the student.

(f) "Online instruction" means a form of digital instruction that occurs when a student learns primarily through digital technology away from a supervised physical setting.

(g) "Online instructional site" means a site that offers courses using online instruction under paragraph (f) and may enroll students receiving online instruction under paragraph (f).

(h) "Online teacher" means an employee of the enrolling district under paragraph (d) or the supplemental online course provider under paragraph (k) who holds the appropriate licensure under Minnesota Rules, chapter 8710, and is trained to provide online instruction under paragraph (f).

(i) "Student" means a Minnesota resident enrolled in a school defined under section 120A.22, subdivision 4, in kindergarten through grade 12 up to the age of 21.

(j) "Supplemental online course" means an online learning course taken in place of a course provided by the student's enrolling district under paragraph (d).

(k) "Supplemental online course provider" means a school district, an intermediate school district, a state-operated school, an organization of two or more school districts operating under a joint powers agreement, or a charter school located in Minnesota that is authorized by the Department of Education to provide supplemental online courses under paragraph (j).

Sec. 5. Minnesota Statutes 2024, section 124D.52, subdivision 2, is amended to read:

Subd. 2. **Program approval.** (a) To receive aid under this section, a district, the Department of Corrections, a private nonprofit organization, or a consortium including districts, nonprofit organizations, or both must submit an application by June 1 describing the program, on a form provided by the department. The program must be approved by the commissioner according to the following criteria:

(1) how the needs of different levels of learning and English language proficiency will be met;

(2) for continuing programs, an evaluation of results;

(3) anticipated number and education level of participants;

(4) coordination with other resources and services;

(5) participation in a consortium, if any, and money available from other participants;

(6) management and program design;

(7) volunteer training and use of volunteers;

(8) staff development services;

(9) program sites and schedules;

(10) program expenditures that qualify for aid;

(11) program ability to provide data related to learner outcomes as required by law; and

(12) a copy of the memorandum of understanding described in subdivision 1 submitted to the commissioner.

(b) Adult basic education programs may be approved under this subdivision for up to ~~five~~ six years. ~~Five-year~~ Six-year program approval must be granted to an applicant who has demonstrated the capacity to:

(1) offer comprehensive learning opportunities and support service choices appropriate for and accessible to adults at all basic skill and English language levels of need;

(2) provide a participatory and experiential learning approach based on the strengths, interests, and needs of each adult, that enables adults with basic skill needs to:

(i) identify, plan for, and evaluate their own progress toward achieving their defined educational and occupational goals;

(ii) master the basic academic reading, writing, and computational skills, as well as the problem-solving, decision making, interpersonal effectiveness, and other life and learning skills they need to function effectively in a changing society;

(iii) locate and be able to use the health, governmental, and social services and resources they need to improve their own and their families' lives; and

(iv) continue their education, if they desire, to at least the level of secondary school completion, with the ability to secure and benefit from continuing education that will enable them to become more employable, productive, and responsible citizens;

(3) plan, coordinate, and develop cooperative agreements with community resources to address the needs that the adults have for support services, such as transportation, English language learning, flexible course scheduling, convenient class locations, and child care;

(4) collaborate with business, industry, labor unions, and employment-training agencies, as well as with family and occupational education providers, to arrange for resources and services through which adults can attain economic self-sufficiency;

(5) provide sensitive and well trained adult education personnel who participate in local, regional, and statewide adult basic education staff development events to master effective adult learning and teaching techniques;

(6) participate in regional adult basic education peer program reviews and evaluations;

(7) submit accurate and timely performance and fiscal reports;

(8) submit accurate and timely reports related to program outcomes and learner follow-up information; and

(9) spend adult basic education aid on adult basic education purposes only, which are specified in sections 124D.518 to 124D.531.

(c) The commissioner shall require each district to provide notification by February 1, of its intent to apply for funds under this section as a single district or as part of a consortium. A district receiving funds under this section must notify the commissioner by February 1 of its intent to change its application status for applications due the following June 1.

ARTICLE 2
EDUCATION EXCELLENCE

Section 1. Minnesota Statutes 2024, section 120B.35, subdivision 3, is amended to read:

Subd. 3. **State growth measures; other state measures.** (a)(1) The state's educational assessment system measuring individual students' educational growth is based on indicators of current achievement that show growth relative to an individual student's prior achievement. Indicators of achievement and prior achievement must be based on highly reliable statewide or districtwide assessments.

(2) For purposes of paragraphs (b), (c), and (d), the commissioner must analyze and report separate categories of information using the student categories identified under the federal Elementary and Secondary Education Act, as most recently reauthorized, and, in addition to "other" for each race and ethnicity, and the Karen community, seven of the most populous Asian and Pacific Islander groups, three of the most populous Native groups, seven of the most populous Hispanic/Latino groups, and five of the most populous Black and African Heritage groups as determined by the total Minnesota population based on the most recent American Community Survey; English learners under section 124D.59; home language; free or reduced-price meals; and all students enrolled in a Minnesota public school who are currently or were previously in foster care, except that such disaggregation and cross tabulation is not required if the number of students in a category is insufficient to yield statistically reliable information or the results would reveal personally identifiable information about an individual student.

(b) The commissioner, in consultation with a stakeholder group that includes assessment and evaluation directors, district staff, experts in culturally responsive teaching, and researchers, must implement an appropriate growth model that compares the difference in students' achievement scores over time, and includes criteria for identifying schools and school districts that demonstrate academic progress or progress toward English language proficiency. The model may be used to advance educators' professional development and replicate programs that succeed in meeting students' diverse learning needs. Data on individual teachers generated under the model are personnel data under section 13.43. The model must allow users to:

(1) report student growth consistent with this paragraph; and

(2) for all student categories, report and compare aggregated and disaggregated state student growth and, under section 120B.11, subdivision 2, clause (2), student learning and outcome data using the student categories identified under the federal Elementary and Secondary Education Act, as most recently reauthorized, and other student categories under paragraph (a), clause (2).

The commissioner must report measures of student growth and, under section 120B.11, subdivision 2, clause (2), student learning and outcome data, consistent with this paragraph, including the English language development, academic progress, and oral academic development of English learners and their native language development if the native language is used as a language of instruction, and include data on all pupils enrolled in a Minnesota public school course or program who are currently or were previously counted as an English learner under section 124D.59. <u>In addition, the commissioner must report language development outcomes of the target language of instruction other than English for all students who are in a dual language immersion program or who are enrolled in a Minnesota public school course or program in which the objective is improving or maintaining the students' native language.</u>

(c) When reporting student performance under section 120B.36, subdivision 1, the commissioner annually, beginning July 1, 2011, must report two core measures indicating the extent to which current high school graduates are being prepared for postsecondary academic and career opportunities:

(1) a preparation measure indicating the number and percentage of high school graduates in the most recent school year who completed course work important to preparing them for postsecondary academic and career opportunities, consistent with the core academic subjects required for admission to Minnesota's public colleges and universities as determined by the Office of Higher Education under chapter 136A; and

(2) a rigorous coursework measure indicating the number and percentage of high school graduates in the most recent school year who successfully completed one or more college-level advanced placement, international baccalaureate, postsecondary enrollment options including concurrent enrollment, other rigorous courses of study under section 120B.021, subdivision 1a, or industry certification courses or programs.

When reporting the core measures under clauses (1) and (2), the commissioner must also analyze and report separate categories of information using the student categories identified under the federal Elementary and Secondary Education Act, as most recently reauthorized, and other student categories under paragraph (a), clause (2).

(d) When reporting student performance under section 120B.36, subdivision 1, the commissioner annually, beginning July 1, 2014, must report summary data on school safety and students' engagement and connection at school, consistent with the student categories identified under paragraph (a), clause (2). The summary data under this paragraph are separate from and must not be used for any purpose related to measuring or evaluating the performance of classroom teachers. The commissioner, in consultation with qualified experts on student engagement and connection and classroom teachers, must identify highly reliable variables that generate summary data under this paragraph. The summary data may be used at school, district, and state levels only. Any data on individuals received, collected, or created that are used to generate the summary data under this paragraph are nonpublic data under section 13.02, subdivision 9.

(e) For purposes of statewide educational accountability, the commissioner must identify and report measures that demonstrate the success of learning year program providers under sections 123A.05 and 124D.68, among other such providers, in improving students' graduation outcomes. The commissioner, beginning July 1, 2015, must annually report summary data on:

(1) the four- and six-year graduation rates of students under this paragraph;

(2) the percent of students under this paragraph whose progress and performance levels are meeting career and college readiness benchmarks under section 120B.307; and

(3) the success that learning year program providers experience in:

(i) identifying at-risk and off-track student populations by grade;

(ii) providing successful prevention and intervention strategies for at-risk students;

(iii) providing successful recuperative and recovery or reenrollment strategies for off-track students; and

(iv) improving the graduation outcomes of at-risk and off-track students.

The commissioner may include in the annual report summary data on other education providers serving a majority of students eligible to participate in a learning year program.

(f) The commissioner, in consultation with recognized experts with knowledge and experience in assessing the language proficiency and academic performance of all English learners enrolled in a Minnesota public school course or program who are currently or were previously counted as an English learner under section 124D.59, must identify and report appropriate and effective measures to improve current categories of language difficulty and assessments, and monitor and report data on students' English proficiency levels, program placement, and academic language development, including oral academic language.

(g) When reporting four- and six-year graduation rates, the commissioner or school district must disaggregate the data by student categories according to paragraph (a), clause (2).

(h) A school district must inform parents and guardians that volunteering information on student categories not required by the most recent reauthorization of the Elementary and Secondary Education Act is optional and will not violate the privacy of students or their families, parents, or guardians. The notice must state the purpose for collecting the student data.

Sec. 2. Minnesota Statutes 2024, section 122A.441, is amended to read:

122A.441 SHORT-CALL EMERGENCY SUBSTITUTE TEACHER ~~PILOT~~ PROGRAM.

(a) A school district or charter school and applicant may jointly request the Professional Educator Licensing and Standards Board approve an application for a short-call emergency substitute teaching license. The application information must sufficiently demonstrate the following:

(1) the applicant:

(i) holds a minimum of an associate's degree or equivalent and has or will receive substitute training from the school district or charter school; or

(ii) holds a minimum of a high school diploma or equivalent and has been employed as an education support personnel or paraprofessional within the district or charter school for at least one academic year; and

(2) the school district or charter school has obtained the results of a background check completed in accordance with section 123B.03.

(b) The Professional Educator Licensing and Standards Board may issue a temporary teaching license under this section pending a background check under section 122A.18, subdivision 8, and may immediately suspend or revoke the license upon receiving background check information. An applicant submitting an application for a short-call substitute teaching license in accordance with section 122A.18, subdivision 7a, paragraph (a), must not be required to complete a joint application with a district and must not be issued a license pending a background check under section 122A.18, subdivision 8.

(c) The board may prioritize short-call emergency substitute teaching license applications to expedite the review process.

(d) A school district or charter school must provide a short-call emergency substitute teacher who receives a short-call emergency substitute teaching license ~~through the pilot program~~ with substitute teacher training. The board may remove a school district or charter school from the ~~pilot~~ short-call emergency substitute teaching program for failure to provide the required training.

(e) A school district or charter school must not require an employee to apply for a short-call emergency substitute teaching license, or retaliate against an employee that does not apply for a short-call emergency substitute teaching license under ~~the pilot program~~ this section.

(f) A school district or charter school must compensate an employee working as a short-call emergency substitute teacher under ~~the pilot program~~ this section with the greater of ~~$200 per day~~ the short-call substitute teacher rate of pay in the district or the employee's regular rate of pay.

~~(g) This section expires on June 30, 2025.~~

(g) A district may employ a short-call emergency substitute teacher for no more than ten consecutive school days in a single assignment. A district solicitation for short-call emergency substitute teacher applicants must disclose the duration of the short-call emergency substitute teacher position.

(h) For each teacher assignment, a district may use a short-call emergency substitute teacher to fill the assignment for no more than ten consecutive school days at a time.

(i) A district may employ a short-call emergency substitute teacher to fill an assignment that a short-call emergency substitute teacher previously filled as long as at least 30 calendar days have passed between the last day of the previous assignment and the first day of a subsequent assignment.

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

Sec. 3. Minnesota Statutes 2024, section 124D.162, subdivision 4, is amended to read:

Subd. 4. **Implementation.** The requirements under this section must be phased in over ~~three~~ four school years with all school districts and charter schools complying beginning with the ~~2025-2026~~ 2026-2027 school year.

Sec. 4. Minnesota Statutes 2024, section 124D.42, subdivision 9, is amended to read:

Subd. 9. **Minnesota math corps program.** (a) A Minnesota math corps program is established to ~~give~~ provide ServeMinnesota AmeriCorps members with a data-based problem-solving model of mathematics instruction ~~useful for~~ to use in providing elementary and middle school students and their teachers with instructional support. Minnesota math corps must use evidence-based instructional support to evaluate and accelerate student learning on foundational mathematics skills that enable students to meet state academic standards in mathematics and long-term proficiency expectations for the workforce.

(b) The commission must submit a biennial report to the committees of the legislature with jurisdiction over kindergarten through grade 12 education that records and evaluates program data to determine the efficacy of the programs under this subdivision.

(c) For purposes of this subdivision, "evidence-based" means the instruction or curriculum is based on reliable, trustworthy, and valid evidence and has demonstrated a record of success in increasing student competency and proficiency in mathematics and numeracy.

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

ARTICLE 3
CHARTER SCHOOLS

Section 1. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber the section of Minnesota Statutes listed in column A with the number listed in column B. The revisor shall also make necessary cross-reference changes consistent with the renumbering. The revisor shall also make any technical and other changes necessitated by the renumbering and cross-reference changes in this act.

Column A	Column B
124E.16, subdivision 3	124E.27

ARTICLE 4
EDUCATION INNOVATION

Section 1. Minnesota Statutes 2024, section 120A.41, is amended to read:

120A.41 LENGTH OF SCHOOL YEAR; HOURS OF INSTRUCTION.

Subdivision 1. **Calendar.** (a) A school board's annual school calendar must include at least 425 hours of instruction for a kindergarten student, 935 hours of instruction for a student in grades 1 through 6, and 1,020 hours of instruction for a student in grades 7 through 12, not including summer school. The school calendar for all-day kindergarten must include at least 850 hours of instruction for the school year. The school calendar for a prekindergarten student under section 142D.08, if offered by the district, must include at least 350 hours of instruction for the school year. A school board's annual calendar must include at least 165 days of instruction for a student in grades 1 through 11 unless a four-day week schedule has been approved by the commissioner under section 124D.126.

(b) A school board's annual school calendar may include plans for up to five days of instruction provided through online instruction due to inclement weather. The inclement weather plans must be developed according to section 120A.414.

Subd. 2. **Hours of instruction.** (a) Hours of instruction in a secondary school includes all educational experiences that:

(1) allow students to earn academic credit, as defined in section 120B.018;

(2) are available to all enrolled students; and

(3) are supervised, coordinated, and verified by a qualified teacher, as defined in section 122A.16.

(b) Educational experiences included in hours of instruction may:

(1) be included in any secondary school course of study prescribed by a school board under section 123B.09; and

(2) occur outside the regular school day and week, but not outside the school year. A school district must not report a student participating in additional educational experiences as a student in average daily membership in excess of the student's average daily membership that would be reported if the student were not to participate in the additional educational experiences offered under this subdivision.

(c) Nothing in this subdivision allows a district to deny a student access to any service or instruction required under state or federal law, including special education services, and nothing in this subdivision requires a district to provide additional special education services outside of the services or instruction specified in the student's individualized education program.

(d) The Department of Education must regularly review its policies and structures, including district reporting requirements, in a form and manner determined by the commissioner, to ensure that the department's policies and structures support providing a range of educational opportunities to students.

(e) Nothing in this subdivision modifies pupil units under chapter 126C, or provides additional pupil units for an educational experience included in hours of instruction.

(f) Nothing in this subdivision allows a district to unilaterally modify the terms and conditions of employment of a teacher as they are provided in a collective bargaining agreement to accommodate educational experiences that occur outside the regular school day and week.

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

Sec. 2. Minnesota Statutes 2024, section 124D.085, is amended to read:

124D.085 EXPERIENTIAL AND APPLIED LEARNING OPPORTUNITIES FOR STUDENTS.

(a) To strengthen the alignment between career and college ready curriculum and state and local academic standards and increase students' opportunities for participating in applied and experiential learning in a nontraditional setting, school districts are encouraged to provide programs such as:

(1) magnet schools~~,~~;

(2) language immersion programs~~,~~;

(3) project-based learning~~,~~;

(4) accelerated learning~~,~~;

(5) college prep schools~~,~~;

(6) career and technical education~~,~~;

(7) Montessori schools~~,~~;

(8) military schools~~,~~;

(9) work-based schools~~,~~; and

(10) place-based learning.

(b) Districts may provide such programs independently or in cooperation with other districts, at a school single site, for particular grades, or throughout the district. In addition to meeting the other accountability measures under chapter 120B, districts may declare that a student meets or exceeds specific academic standards required for graduation under the rigorous course of study waiver in section 120B.021, subdivision 1a, where appropriate.

~~(b)~~ (c) The board of a district that chooses to participate must publicly adopt and review a plan for providing a program under this section. The plan must: define the program and its structure; describe the enrollment process; identify measures and processes for regularly assessing, evaluating, and publicly reporting on program efficacy and use summary data to show student progress and outcomes; and establish a data-informed public process for modifying and revising the plan as needed. A district must publish its plan contents and evaluation outcomes on the district website.

~~(c)~~ (d) For purposes of further integrating experiential and applied learning into career and college ready curricula, the commissioner may request program information from providing districts under this section, but is not authorized to approve or deny any school board-adopted program provided under this section.

Sec. 3. Minnesota Statutes 2024, section 124D.093, subdivision 3, is amended to read:

Subd. 3. **~~Application~~ Board approval process.** ~~The commissioner must determine the form and manner of application for a school to be designated a P-TECH school.~~ The ~~application~~ school board plan for adopting a P-TECH program must contain at least the following information:

(1) the written agreement between a public school, a higher education institution under section 124D.09, subdivision 3, paragraph (a), and a business partner to jointly develop and support a P-TECH school;

(2) a proposed school design consistent with subdivisions 1 and 2;

(3) a description of how the P-TECH school supports the needs of the economic development region in which the P-TECH school is to be located;

(4) a description of the facilities to be used by the P-TECH school;

(5) a description of proposed budgets, curriculum, transportation plans, and other operating procedures for the P-TECH school;

(6) the process by which students will be enrolled in the P-TECH school;

(7) the qualifications required for individuals employed in the P-TECH school; and

(8) any additional information that the ~~commissioner requires~~ board determines is appropriate.

Sec. 4. Minnesota Statutes 2024, section 124D.093, subdivision 4, is amended to read:

Subd. 4. **~~Approval~~ Grant process.** (a) When an appropriation is available, the commissioner of education must appoint an advisory committee to review the grant applications and to recommend approval for those applications that meet the requirements of this section. The commissioner of education has final authority over grant application approvals.

(b) To the extent practicable, the commissioner must ensure an equitable geographic distribution of grants for approved P-TECH schools.

(c) Nothing in this subdivision may be construed to authorize the commissioner to approve or deny a locally adopted P-TECH plan.

Sec. 5. **REVISOR INSTRUCTION.**

(a) The revisor of statutes shall renumber the provisions of Minnesota Statutes and laws listed in column A to the references listed in column B. The revisor shall also make necessary cross-reference changes in Minnesota Statutes and Minnesota Rules consistent with the renumbering in this instruction.

Column A	Column B
Laws 2017, First Special Session chapter 5, article 2, section 52	124F.01
124D.085	124F.02
124D.093	124F.03
124D.4535	124F.04
124D.46	124F.05
124D.47	124F.06
124D.48	124F.07
124D.49	124F.08
124D.50	124F.09

(b) Paragraph (a) is intended to be a reorganization of statutes relating to Education Innovation in Minnesota Statutes, chapter 124F, and not intended to change the meaning or prior interpretation of those laws.

ARTICLE 5
SPECIAL EDUCATION

Section 1. **[125A.092] STATE COMPLAINT PROCESS.**

Subdivision 1. **Filing a state complaint.** (a) An organization or individual may file a signed, written complaint with the Department of Education, Office of General Counsel, Dispute Resolution.

(b) The complaint must include:

(1) a statement that a public agency, lead agency, or early intervention services provider has violated a requirement of Part B or Part C of the federal Individuals with Disabilities Education Act;

(2) the facts on which the statement is based;

(3) the signature and contact information for the complainant;

(4) if alleging violations with respect to a specific child:

(i) the name and address of the residence of the child;

(ii) the name of the school the child is attending, or the name of the early intervention services provider serving the child; and

(iii) in the case of a homeless child or youth within the meaning of section 725(2) of the McKinney-Vento Homeless Assistance Act, United States Code, title 42, section 11434(a)(2), the available contact information for the child and the name of the school the child is attending;

(5) a description of the nature of the problem of the child, including facts relating to the problem; and

(6) a proposed resolution of the problem to the extent known and available to the party at the time the complaint is filed.

(c) The complaint must allege a violation that occurred not more than one year prior to the date that the complaint is received.

(d) The party filing the complaint must forward a copy of the complaint to the local educational agency, public agency, or early intervention services provider serving the child at the same time the party files the complaint with the Department of Education.

Subd. 2. **Remedies.** In resolving a complaint in which the Department of Education has found a failure to provide appropriate services, the Department of Education, pursuant to its general supervisory authority under Part B and Part C of the federal Individuals with Disabilities Education Act, must address:

(1) the failure to provide appropriate services, including corrective action appropriate to address the needs of the child, compensatory services, or monetary reimbursement; and

(2) appropriate future provision of services for all children with disabilities.

Subd. 3. **Time limit and procedures.** (a) Within 60 days after a complaint is filed, the Department of Education must:

(1) carry out an independent on-site investigation if the Department of Education determines that an investigation is necessary;

(2) give the complainant the opportunity to submit additional information, either orally or in writing, about the allegations in the complaint;

(3) provide the public agency, lead agency, or early intervention services provider with the opportunity to respond to the complaint, including at a minimum:

(i) at the discretion of the Department of Education, a proposal to resolve the complaint; and

(ii) an opportunity for a parent who has filed a complaint and the public agency, lead agency, or early intervention services provider to voluntarily engage in mediation consistent with section 125A.091, subdivision 9;

(4) review all relevant information and make an independent determination as to whether the public agency, lead agency, or early intervention services provider is violating a requirement of Part B or Part C of the federal Individuals with Disabilities Education Act; and

(5) issue a written decision to the complainant that addresses each allegation in the complaint and contains:

(i) findings of fact and conclusions; and

(ii) the reasons for the Department of Education's final decision.

(b) An extension of the time limit is allowed only if:

(1) exceptional circumstances exist with respect to a particular complaint; or

(2) the parent, individual, or organization and the local educational agency, public agency, or early intervention services provider involved agree to extend the time to engage in mediation pursuant to section 125A.091, subdivision 9, or a facilitated team meeting pursuant to section 125A.091, subdivision 11.

Subd. 4. **Complaints and due process hearings.** (a) If a written complaint is received that is also the subject of a due process hearing under section 125A.091, subdivision 12, or that contains multiple issues of which one or more are part of that hearing, the Department of Education must set aside any part of the complaint that is being addressed in the due process hearing until the conclusion of the hearing. Any issue in the complaint that is not a part of the due process action must be resolved using the time limit and procedures described in paragraphs (c) and (d).

(b) If an issue raised in a complaint filed under this section has previously been decided in a due process hearing involving the same parties:

(1) the due process hearing decision is binding on that issue; and

(2) the Department of Education must inform the complainant to that effect.

(c) If the local educational agency, public agency, or early intervention services provider fails to implement the due process hearing decision, an individual or organization may file a state complaint with the Department of Education alleging the agency or provider's failure to implement the due process hearing decision.

ARTICLE 6
HEALTH AND NUTRITION

Section 1. Minnesota Statutes 2024, section 121A.22, subdivision 2, is amended to read:

Subd. 2. **Exclusions.** In addition, this section does not apply to drugs or medicine that are:

(1) purchased without a prescription;

(2) used by a pupil who is 18 years old or older;

(3) used in connection with services for which a minor may give effective consent, including section 144.343, subdivision 1, and any other law;

(4) used in situations in which, in the judgment of the school personnel, including a licensed nurse, who are present or available, the risk to the pupil's life or health is of such a nature that drugs or medicine should be given without delay;

(5) used off the school grounds;

(6) used in connection with athletics or extra curricular activities;

(7) used in connection with activities that occur before or after the regular school day;

(8) provided or administered by a public health agency to prevent or control an illness or a disease outbreak as provided for in sections 144.05 and 144.12;

(9) prescription asthma or reactive airway disease medications self-administered by a pupil with an asthma inhaler, consistent with section 121A.221, if the district has received a written authorization from the pupil's parent permitting the pupil to self-administer the medication, the inhaler is properly labeled for that student, and the parent has not requested school personnel to administer the medication to the pupil. The parent must submit written authorization for the pupil to self-administer the medication each school year; or

(10) epinephrine ~~auto-injectors~~ delivery systems, consistent with section 121A.2205, if the parent and prescribing medical professional annually inform the pupil's school in writing that (i) the pupil may possess the epinephrine or (ii) the pupil is unable to possess the epinephrine and requires immediate access to epinephrine ~~auto-injectors~~ delivery systems that the parent provides properly labeled to the school for the pupil as needed.

Sec. 2. Minnesota Statutes 2024, section 121A.2205, is amended to read:

121A.2205 POSSESSION AND USE OF EPINEPHRINE ~~AUTO-INJECTORS~~ DELIVERY SYSTEMS; MODEL POLICY.

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

(1) "administer" means the direct application of an epinephrine ~~auto-injector~~ delivery system to the body of an individual;

(2) "epinephrine ~~auto-injector~~ delivery system" means a ~~device that automatically injects a premeasured dose of epinephrine~~ medication product approved by the United States Food and Drug Administration that automatically delivers a single, premeasured dose of epinephrine to prevent or treat a life-threatening allergic reaction; and

(3) "school" means a public school under section 120A.22, subdivision 4, or a nonpublic school, excluding a home school, under section 120A.22, subdivision 4, that is subject to the federal Americans with Disabilities Act.

Subd. 2. **Plan for use of epinephrine ~~auto-injectors~~ delivery systems.** (a) At the start of each school year or at the time a student enrolls in school, whichever is first, a student's parent, school staff, including those responsible for student health care, and the prescribing medical professional must develop and implement an individualized written health plan for a student who is prescribed epinephrine ~~auto-injectors~~ delivery systems that enables the student to:

(1) possess epinephrine ~~auto-injectors~~ delivery systems; or

(2) if the parent and prescribing medical professional determine the student is unable to possess the epinephrine, have immediate access to epinephrine ~~auto-injectors~~ delivery systems in close proximity to the student at all times during the instructional day.

The plan must designate the school staff responsible for implementing the student's health plan, including recognizing anaphylaxis and administering epinephrine ~~auto-injectors~~ delivery systems when required, consistent with section 121A.22, subdivision 2, clause (10). This health plan may be included in a student's 504 plan.

(b) Other nonpublic schools are encouraged to develop and implement an individualized written health plan for students requiring epinephrine ~~auto-injectors~~ delivery systems, consistent with this section and section 121A.22, subdivision 2, clause (10).

(c) A school district and its agents and employees are immune from liability for any act or failure to act, made in good faith, in implementing this section and section 121A.2207.

(d) The ~~education~~ commissioner of education, in collaboration with the commissioner of health, may develop and transmit to interested schools a model policy and individualized health plan form consistent with this section and federal 504 plan requirements. The policy and form may:

(1) assess a student's ability to safely possess epinephrine ~~auto-injectors~~ delivery systems;

(2) identify staff training needs related to recognizing anaphylaxis and administering epinephrine when needed;

(3) accommodate a student's need to possess or have immediate access to epinephrine ~~auto-injectors~~ delivery systems in close proximity to the student at all times during the instructional day; and

(4) ensure that the student's parent provides properly labeled epinephrine ~~auto-injectors~~ delivery systems to the school for the student as needed.

(e) Additional epinephrine ~~auto-injectors~~ delivery systems may be available in school first aid kits.

(f) The school board of the school district must define instructional day for the purposes of this section.

Sec. 3. Minnesota Statutes 2024, section 121A.2207, is amended to read:

121A.2207 LIFE-THREATENING ALLERGIES IN SCHOOLS; STOCK SUPPLY OF EPINEPHRINE ~~AUTO-INJECTORS~~ DELIVERY SYSTEMS.

Subdivision 1. **Districts and schools permitted to maintain supply.** (a) Notwithstanding section 151.37, districts and schools may obtain and possess epinephrine ~~auto-injectors~~ delivery systems to be maintained and administered by school personnel, including a licensed nurse, to a student or other individual if, in good faith, it is determined that person is experiencing anaphylaxis regardless of whether the student or other individual has a prescription for an epinephrine ~~auto-injector~~ delivery system. The administration of an epinephrine ~~auto-injector~~ delivery system in accordance with this section is not the practice of medicine.

(b) Registered nurses may administer epinephrine ~~auto-injectors~~ delivery systems in a school setting according to a condition-specific protocol as authorized under section 148.235, subdivision 8. Notwithstanding any limitation in sections 148.171 to 148.285, licensed practical nurses may administer epinephrine ~~auto-injectors~~ delivery systems in a school setting according to a condition-specific protocol that does not reference a specific patient and that specifies the circumstances under which the epinephrine ~~auto-injector~~ delivery system is to be administered, when caring for a patient whose condition falls within the protocol.

Subd. 2. **Arrangements with manufacturers.** A district or school may enter into arrangements with manufacturers of epinephrine ~~auto-injectors~~ delivery systems to obtain epinephrine ~~auto-injectors~~ delivery systems at fair-market, free, or reduced prices. A third party, other than a manufacturer or supplier, may pay for a school's supply of epinephrine ~~auto-injectors~~ delivery systems.

Subd. 3. **Standing order for distribution and condition-specific protocol.** The commissioner of health must provide a district or school with a standing order for distribution of epinephrine delivery systems under sections 148.235, subdivision 8, and 151.37, subdivision 2.

Sec. 4. Minnesota Statutes 2024, section 124D.119, subdivision 5, is amended to read:

Subd. 5. **Summer Food Service Program locations.** Consistent with Code of Federal Regulations, title 7, ~~section 225.6(d)(1)(ii)~~ part 225, the Department of Education must not approve a new Summer Food Service Program open site that is within a half-mile radius of an existing Summer Food Service Program open site. The department may approve a new Summer Food Service Program open site within a half-mile radius only if the new program will not be serving the same group of children for the same meal type or if there are safety issues that could present barriers to participation.

ARTICLE 7
STATE AGENCIES

Section 1. Minnesota Statutes 2024, section 13.32, subdivision 5, is amended to read:

Subd. 5. **Directory information.** (a) Educational data designated as directory information is public data on individuals to the extent required under federal law. Directory information must be designated pursuant to the provisions of:

(1) this subdivision; and

(2) United States Code, title 20, section 1232g, and Code of Federal Regulations, title 34, section 99.37, which were in effect on January 3, 2012.

(b) When conducting the directory information designation and notice process required by federal law, an educational agency or institution shall give parents and students notice of the right to refuse to let the agency or institution designate specified data about the student as directory information. This notice may be given by any means reasonably likely to inform the parents and students of the right.

(c) An educational agency or institution may not designate a student's home address, telephone number, email address, or other personal contact information as directory information under this subdivision. This paragraph does not apply to a postsecondary institution.

(d) When requested, educational agencies or institutions must share personal student contact information and directory information, whether public or private, with the Minnesota Department of Education, as required for federal reporting purposes.

(e) When requested, and in accordance with requirements for parental consent in the Code of Federal Regulations, title 34, section 300.622 (b)(2), and part 99, educational agencies or institutions may share personal student contact information and directory information for students served in special education with postsecondary transition planning and services under section 125A.08, paragraph (b), clause (1), whether public or private, with the Department of Employment and Economic Development, as required for coordination of services to students with disabilities under sections 125A.08, paragraph (b), clause (1); 125A.023; and 125A.027.

Sec. 2. Minnesota Statutes 2024, section 120B.021, subdivision 3, is amended to read:

Subd. 3. **Rulemaking.** (a) The commissioner, consistent with the requirements of this section and section 120B.022, must adopt statewide rules under ~~section 14.389~~ chapter 14 for implementing statewide rigorous core academic standards in language arts, mathematics, science, social studies, physical education, and the arts.

(b) The commissioner must adopt statewide rules for implementing statewide rigorous core academic standards in health.

Sec. 3. Minnesota Statutes 2024, section 122A.092, subdivision 2, is amended to read:

Subd. 2. **Requirements for board approval.** Teacher preparation programs must demonstrate the following to obtain board approval:

(1) the program has implemented a research-based, results-oriented curriculum that focuses on the skills teachers need in order to be effective;

(2) the program provides a student teaching program;

(3) the program demonstrates effectiveness based on proficiency of graduates in demonstrating attainment of program outcomes;

(4) the program includes a common core of teaching knowledge and skills. This common core shall meet the standards developed by the Interstate New Teacher Assessment and Support Consortium ~~in its 1992 model standards~~ for beginning teacher licensing and development. Amendments to standards adopted under this clause are subject to chapter 14~~. The Professional Educator Licensing and Standards Board shall report annually to the education committees of the legislature on the performance of teacher candidates on common core assessments of knowledge and skills under this clause during the most recent school year~~;

(5) the program includes instruction on the knowledge and skills needed to provide appropriate instruction to English learners to support and accelerate their academic literacy, including oral academic language and achievement in content areas in a regular classroom setting; and

(6) the program includes culturally competent training in instructional strategies consistent with section 120B.30, subdivision 8.

Sec. 4. Minnesota Statutes 2024, section 122A.70, subdivision 6, is amended to read:

Subd. 6. **Report.** By September 30 of each year after receiving a grant, recipients must submit a report to the Professional Educator Licensing and Standards Board on program efforts that describes mentoring and induction activities and assesses the impact of these programs on teacher effectiveness and retention. The board must publish a summary report for the public and submit the report to the committees of the legislature with jurisdiction over kindergarten through grade 12 education policy and finance in accordance with section 3.302 by November 30 of each even-numbered year.

Sec. 5. Minnesota Statutes 2024, section 127A.21, subdivision 1, is amended to read:

Subdivision 1. **Establishment of Office of the Inspector General; powers; duties.** The commissioner must establish within the department an Office of the Inspector General. The inspector general shall report directly to the commissioner. The Office of the Inspector General is charged with protecting the integrity of the department and the state by detecting and preventing fraud, theft, waste, and abuse in department programs. The Office of the Inspector General must conduct independent and objective investigations to promote the integrity of the department's programs and operations. When fraud, theft, or other misuse of public funds is detected, the Office of the Inspector General must report it to the appropriate law enforcement entity and collaborate and cooperate with law enforcement to assist in the investigation and any subsequent civil and criminal prosecution.

Sec. 6. Minnesota Statutes 2024, section 127A.21, subdivision 1a, is amended to read:

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

(b) "Abuse" means actions that may, directly or indirectly, result in unnecessary costs to department programs. Abuse may involve paying for items or services when there is no legal entitlement to that payment~~,~~ or behavior that is deficient or improper when compared with behavior that a prudent person would consider a reasonable and necessary business practice given the facts and circumstances.

(c) "Department program" means a program funded by the Department of Education that involves the transfer or disbursement of public funds or other resources to a program participant. "Department program" includes state and federal aids or grants received by a school district or charter school or other program participant.

(d) "Excluded" means removed by any means from a program administered by a Minnesota state agency or federal agency.

~~(d)~~ (e) "Fraud" means an intentional or deliberate act to deprive another of property or money or to acquire property or money by deception or other unfair means. Fraud includes intentionally submitting false information to the department for the purpose of either obtaining a greater compensation or benefit than that to which the ~~person~~ program participant is legally entitled or hiding the misuse of funds. ~~Fraud also includes failure to correct errors in the maintenance of records in a timely manner after a request by the department.~~ Fraud also includes acts that constitute a crime against any program, or attempts or conspiracies to commit those crimes, including but not limited to the following:

(1) theft in violation of section 609.52;

(2) perjury in violation of section 609.48; and

(3) aggravated forgery and forgery in violation of sections 609.625 and 609.63.

~~(e)~~ (f) "Investigation" means an audit, investigation, proceeding, or inquiry by the Office of the Inspector General related to a program participant in a department program.

~~(f)~~ (g) "Program participant" means any entity or person, including associated entities or persons, that receives, disburses, or has custody of funds or other resources transferred or disbursed under a department program. Associated persons or entities include but are not limited to vendors or other entities or persons that contract with recipients of department program funds.

(h) "Theft" means the act defined in section 609.52, subdivision 2.

~~(g)~~ (i) "Waste" means practices that, directly or indirectly, result in unnecessary costs to department programs, such as misusing resources. Waste includes an attempt or act using or expending resources carelessly, extravagantly, or to no purpose.

~~(h)~~ (j) For purposes of this section, neither "fraud," "theft," "waste," nor "abuse" includes decisions on instruction, curriculum, personnel, or other discretionary policy decisions made by a school district, charter school, cooperative unit as defined by section 123A.24, subdivision 2, or any library, library system, or library district defined in section 134.001.

Sec. 7. Minnesota Statutes 2024, section 127A.21, subdivision 4, is amended to read:

Subd. 4. **Access to records.** (a) For purposes of an investigation, and regardless of the data's classification under chapter 13, the Office of the Inspector General shall have access to all relevant books, accounts, documents, data, and property related to department programs that are maintained by a program participant, charter school, or government entity as defined by section 13.02.

(b) Notwithstanding paragraph (a), the Office of the Inspector General must issue a subpoena under subdivision 3 in order to access routing and account numbers to which Department of Education funds have been disbursed.

(c) Records requested by the Office of the Inspector General under this subdivision shall be provided in a format, place, and time frame reasonably requested by the Office of the Inspector General.

(d) The department may enter into specific agreements with other state agencies related to records requests by the Office of the Inspector General.

(e) In an investigation, program participants must give the Office of the Inspector General immediate access without prior notice to any locations of potential record storage and the records themselves, whether physical or electronic, during regular business hours, and to any records related to a department program. Denying the Office of the Inspector General access to requested records is cause for immediate suspension of payment.

(f) The Office of the Inspector General, at its own expense, may photocopy or otherwise duplicate any record related to a department program. Photocopying or electronic duplication shall be done on the program participant's premises when immediate access is requested, unless removal is specifically permitted by the program participant. If requested, a program participant must help the Office of the Inspector General duplicate any department program record or other records related to a department program's operation, including hard copies or electronically stored data, on the day when access is requested.

Sec. 8. Minnesota Statutes 2024, section 127A.21, subdivision 5, is amended to read:

Subd. 5. **Sanctions; appeal.** (a) This subdivision does not authorize any sanction that reduces, pauses, or otherwise interrupts state or federal aid to a school district, charter school, cooperative unit as defined by section 123A.24, subdivision 2, or any library, library system, or library district defined in section 134.001.

(b) The inspector general may recommend that the commissioner impose appropriate temporary sanctions, including withholding of payments under the department program, on a program participant pending an investigation by the Office of the Inspector General if:

(1) during the course of an investigation, the Office of the Inspector General finds credible indicia of fraud, waste, or abuse by the program participant;

(2) there has been a criminal, civil, or administrative adjudication of fraud, theft, waste, or abuse against the program participant in Minnesota or in another state or jurisdiction;

(3) the program participant was receiving funds under any contract or registered in any program administered by another Minnesota state agency, a government agency in another state, or a federal agency, and was excluded from that contract or program for reasons credibly indicating fraud, waste, or abuse by the program participant; or

(4) the program participant has a pattern of noncompliance with an investigation.

(c) If an investigation finds, by a preponderance of the evidence, fraud, theft, waste, or abuse by a program participant, the inspector general may, after reviewing all facts and evidence and when acting judiciously on a case-by-case basis, recommend that the commissioner impose appropriate sanctions on the program participant.

(d) Unless prohibited by law, the commissioner has the authority to implement recommendations by the inspector general, including imposing appropriate sanctions, temporarily or otherwise, on a program participant. Sanctions may include ending program participation, stopping disbursement of funds or resources, monetary recovery, and termination of department contracts with the participant for any current or future department program or contract. A sanction may be imposed for up to the longest period permitted by state or federal law. Sanctions authorized under this subdivision are in addition to other remedies and penalties available under law.

(e) If the commissioner imposes sanctions on a program participant under this subdivision, the commissioner must notify the participant in writing within seven business days of imposing the sanction, unless requested in writing by a law enforcement agency to temporarily delay issuing the notice to prevent disruption of an ongoing law enforcement agency investigation. A notice of sanction must state:

(1) the sanction being imposed;

(2) the general allegations that form the basis for the sanction;

(3) the duration of the sanction;

(4) the department programs to which the sanction applies; and

(5) how the program participant may appeal the sanction pursuant to paragraph (e).

(f) A program participant sanctioned under this subdivision may, within 30 days after the date the notice of sanction was mailed to the participant, appeal the determination by requesting in writing that the commissioner initiate a contested case proceeding under chapter 14. The scope of any contested case hearing is limited to the sanction imposed under this subdivision. An appeal request must specify with particularity each disputed item, the reason for the dispute, and must include the name and contact information of the person or entity that may be contacted regarding the appeal.

(g) The commissioner shall lift sanctions imposed under this subdivision if the Office of the Inspector General determines there is insufficient evidence of fraud, theft, waste, or abuse by the program participant. The commissioner must notify the participant in writing within seven business days of lifting the sanction.

Sec. 9. Minnesota Statutes 2024, section 127A.21, is amended by adding a subdivision to read:

Subd. 8. **Immunity and confidentiality.** (a) A person who makes a good faith report is immune from any civil liability that might otherwise arise from reporting or participating in the investigation. Nothing in this subdivision affects an individual's or entity's responsibility for any monetary recovery under existing law or contractual obligation when receiving public funds.

(b) For purposes of this subdivision, "person" means a natural person.

(c) After an investigation is complete, the reporter's name and any identifying information must be kept confidential. The subject of the report may compel disclosure of the reporter's name only with the consent of the reporter or upon a written finding by a district court that the report was false and there is evidence that the report was made in bad faith. This subdivision does not alter disclosure responsibilities or obligations under the Rules of Criminal Procedure, except that when the identity of the reporter is relevant to a criminal prosecution the district court shall conduct an in-camera review before determining whether to order disclosure of the reporter's identity.

Sec. 10. Minnesota Statutes 2024, section 127A.21, is amended by adding a subdivision to read:

Subd. 9. **Limits on receiving public funds; prohibition.** (a) This subdivision does not authorize any action that reduces, pauses, or otherwise interrupts state or federal aid to a school district, charter school, cooperative unit as defined in section 123A.24, subdivision 2, or any library, library system, or library district defined in section 134.001.

(b) For purposes of this subdivision, "program participant" includes individuals or persons who have an ownership interest in, control of, or the ability to control a program participant in a department program.

(c) If a program participant is excluded from a department program, the inspector general shall notify the commissioner, who shall:

(1) prohibit the excluded program participant from enrolling in, receiving grant money from, or registering in any other program administered by the commissioner; and

(2) disenroll or disqualify the excluded program participant from any other program administered by the commissioner.

(d) If a program participant enrolled, licensed, or receiving funds under any contract or program administered by a Minnesota state agency or federal agency is excluded from that program, the inspector general shall notify the commissioner, who may:

(1) prohibit the excluded program participant from enrolling in, becoming licensed, receiving grant money from, or registering in any other program administered by the commissioner; and

(2) disenroll or disqualify the excluded program participant from any other program administered by the commissioner.

(e) The duration of a prohibition, disenrollment, revocation, suspension, or disqualification under paragraph (c) must last for the longest applicable sanction or disqualifying period in effect for the program participant permitted by state or federal law. The duration of a prohibition, disenrollment, revocation, suspension, or disqualification under paragraph (d) may last up until the longest applicable sanction or disqualifying period in effect for the program participant as permitted by state or federal law.

Sec. 11. Minnesota Statutes 2024, section 127A.21, is amended by adding a subdivision to read:

Subd. 10. **Notice.** Within five days of taking an action against a program participant under subdivision 9, paragraph (c) or (d), the commissioner must send notice of the action to the program participant. The notice must state:

(1) the basis for the action;

(2) the effective date of the action;

(3) the right to appeal the action; and

(4) the requirements and procedures for reinstatement.

Sec. 12. Minnesota Statutes 2024, section 127A.21, is amended by adding a subdivision to read:

Subd. 11. **Appeal.** (a) Upon receipt of a notice under subdivision 10, a program participant may request a contested case hearing, as defined in section 14.02, subdivision 3, by filing with the commissioner a written request of appeal. The appeal request must be received by the commissioner no later than 30 days after the date the notification was mailed to the program participant.

(b) The appeal request must specify: (1) each disputed item and the reason for the dispute; (2) the authority in statute or rule upon which the program participant relies for each disputed item; (3) the name and address of the person or entity with whom contacts may be made regarding the appeal; and (4) other information required by the commissioner.

(c) Unless timely and proper appeal is received by the commissioner, the action of the commissioner shall be considered final and binding on the effective date of the action as stated in the notice under subdivision 10, clause (2).

Sec. 13. Minnesota Statutes 2024, section 127A.21, is amended by adding a subdivision to read:

Subd. 12. **Withholding of payments.** (a) This subdivision does not authorize withholding of payments that reduces, pauses, or otherwise interrupts state or federal aid to a school district, charter school, cooperative unit as defined in section 123A.24, subdivision 2, or any library, library system, or library district defined in section 134.001.

(b) Except as otherwise provided by state or federal law, the inspector general shall notify and recommend to the commissioner to withhold payments to a program participant in any program administered by the commissioner, to the extent permitted under federal law, if the commissioner determines there is a credible allegation of fraud or theft for which an investigation is pending for a program administered by the department, a Minnesota state agency, or a federal agency.

(c) Allegations are considered credible when they have indicia of reliability and the inspector general has reviewed the evidence and acts on a case-by-case basis. A credible allegation of fraud is an allegation that has been verified by the commissioner from any source, including but not limited to:

(1) fraud hotline complaints;

(2) claims data mining; and

(3) patterns identified through provider audits, civil false claims cases, and investigations.

(d) The commissioner must send notice of the withholding of payments within five days of taking such action. The notice must: (1) state that payments are being withheld according to this paragraph; (2) set forth the general allegations as to the reasons for the withholding action, but need not disclose any specific information concerning an ongoing investigation; (3) state that the withholding is for a temporary period and cite the circumstances under which withholding will be terminated; and (4) inform the program participant of the right to submit written evidence for consideration by the commissioner.

(e) The withholding of payments shall not continue after the commissioner determines there is insufficient evidence of fraud by the program participant or after legal proceedings relating to the alleged fraud are completed, unless the commissioner has sent notice under subdivision 5 of the intention to take an additional action related to the program participant's participation in a program administered by the commissioner.

(f) The withholding of payments is a temporary action and shall not be subject to appeal under this subdivision or chapter 14.

Sec. 14. Minnesota Statutes 2024, section 127A.49, subdivision 3, is amended to read:

Subd. 3. **Excess tax increment.** (a) The county auditor must, prior to February 1 of each year, certify to the commissioner of education the amount of any excess tax increment that accrued to the district during the preceding year. If a return of excess tax increment is made to a district pursuant to sections 469.176, subdivision 2, and 469.177, subdivision 9, or upon decertification of a tax increment district, the school district's aid and levy limitations must be adjusted for the fiscal year in which the excess tax increment is paid under the provisions of this subdivision.

(b) An amount must be subtracted from the district's aid for the current fiscal year equal to the product of:

(1) the amount of the payment of excess tax increment to the district in the preceding year, times

(2) the ratio of:

(i) the sum of the amounts of the district's certified levy in the third preceding year according to the following:

(A) section 123B.57, if the district received health and safety aid according to that section for the second preceding year;

(B) section 124D.20, if the district received aid for community education programs according to that section for the second preceding year;

(C) section 142D.11, subdivision 3, if the district received early childhood family education aid according to section 142D.11 for the second preceding year;

(D) section 126C.17, subdivision 6, if the district received referendum equalization aid according to that section for the second preceding year;

(E) section 126C.10, subdivision 13a, if the district received operating capital aid according to section 126C.10, subdivision 13b, in the second preceding year;

(F) section 126C.10, subdivision 29, if the district received equity aid according to section 126C.10, subdivision 30, in the second preceding year;

(G) section 126C.10, subdivision 32, if the district received transition aid according to section 126C.10, subdivision 33, in the second preceding year;

(H) section 123B.53, subdivision 5, if the district received debt service equalization aid according to section 123B.53, subdivision 6, in the second preceding year;

(I) section 123B.535, subdivision 4, if the district received natural disaster debt service equalization aid according to section 123B.535, subdivision 5, in the second preceding year;

(J) section 124D.22, subdivision 3, if the district received school-age care aid according to section 124D.22, subdivision 4, in the second preceding year; and

(K) section 122A.415, subdivision 5, if the district received alternative teacher compensation equalization aid according to section 122A.415, subdivision 6, paragraph (a), in the second preceding year; to

(ii) the total amount of the district's certified levy in the third preceding year, plus or minus auditor's adjustments.

(c) An amount must be subtracted from the school district's levy limitation for the next levy certified equal to the difference between:

(1) the amount of the distribution of excess increment; and

(2) the amount subtracted from aid pursuant to clause (a).

If the aid and levy reductions required by this subdivision cannot be made to the aid for the fiscal year specified or to the levy specified, the reductions must be made from aid for subsequent fiscal years, and from subsequent levies. The school district must use the payment of excess tax increment to replace the aid and levy revenue reduced under this subdivision.

(d) This subdivision applies only to the total amount of excess increments received by a district for a calendar year that exceeds $25,000.

Sec. 15. Minnesota Statutes 2024, section 136A.1276, subdivision 4, is amended to read:

Subd. 4. **Report.** An alternative teacher preparation program receiving a grant under this section must submit a report to the commissioner and the Professional Educator Licensing and Standards Board on the grantee's ability to fill teacher shortage areas and positively impact student achievement where data are available and do not identify individual teachers. A grant recipient must submit the report required under this subdivision by January 31, 2018, and each ~~even-numbered~~ subsequent year ~~thereafter~~ this particular grant receives allocated funding. The report must include disaggregated data regarding:

(1) the racial and ethnic diversity of teachers and teacher candidates licensed through the program; and

(2) program participant placement.

Sec. 16. Minnesota Statutes 2024, section 268.19, subdivision 1, is amended to read:

Subdivision 1. **Use of data.** (a) Except as provided by this section, data gathered from any person under the administration of the Minnesota Unemployment Insurance Law are private data on individuals or nonpublic data not on individuals as defined in section 13.02, subdivisions 9 and 12, and may not be disclosed except according to a district court order or section 13.05. A subpoena is not considered a district court order. These data may be disseminated to and used by the following agencies without the consent of the subject of the data:

(1) state and federal agencies specifically authorized access to the data by state or federal law;

(2) any agency of any other state or any federal agency charged with the administration of an unemployment insurance program;

(3) any agency responsible for the maintenance of a system of public employment offices for the purpose of assisting individuals in obtaining employment;

(4) the public authority responsible for child support in Minnesota or any other state in accordance with section 518A.83;

(5) human rights agencies within Minnesota that have enforcement powers;

(6) the Department of Revenue to the extent necessary for its duties under Minnesota laws;

(7) public and private agencies responsible for administering publicly financed assistance programs for the purpose of monitoring the eligibility of the program's recipients;

(8) the Department of Labor and Industry and the Commerce Fraud Bureau in the Department of Commerce for uses consistent with the administration of their duties under Minnesota law;

(9) the Department of Human Services and the Office of Inspector General and its agents within the Department of Human Services, including county fraud investigators, for investigations related to recipient or provider fraud and employees of providers when the provider is suspected of committing public assistance fraud;

(10) the Department of Human Services for the purpose of evaluating medical assistance services and supporting program improvement;

(11) local and state welfare agencies for monitoring the eligibility of the data subject for assistance programs, or for any employment or training program administered by those agencies, whether alone, in combination with another welfare agency, or in conjunction with the department or to monitor and evaluate the statewide Minnesota family investment program and other cash assistance programs, the Supplemental Nutrition Assistance Program, and the Supplemental Nutrition Assistance Program Employment and Training program by providing data on recipients and former recipients of Supplemental Nutrition Assistance Program (SNAP) benefits, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 142E, or medical programs under chapter 256B or 256L or formerly codified under chapter 256D;

(12) local and state welfare agencies for the purpose of identifying employment, wages, and other information to assist in the collection of an overpayment debt in an assistance program;

(13) local, state, and federal law enforcement agencies for the purpose of ascertaining the last known address and employment location of an individual who is the subject of a criminal investigation;

(14) the United States Immigration and Customs Enforcement has access to data on specific individuals and specific employers provided the specific individual or specific employer is the subject of an investigation by that agency;

(15) the Department of Health for the purposes of epidemiologic investigations;

(16) the Department of Corrections for the purposes of case planning and internal research for preprobation, probation, and postprobation employment tracking of offenders sentenced to probation and preconfinement and postconfinement employment tracking of committed offenders;

(17) the state auditor to the extent necessary to conduct audits of job opportunity building zones as required under section 469.3201;

(18) the Office of Higher Education for purposes of supporting program improvement, system evaluation, and research initiatives including the Statewide Longitudinal Education Data System; ~~and~~

(19) the Family and Medical Benefits Division of the Department of Employment and Economic Development to be used as necessary to administer chapter 268B~~.~~; and

(20) the Department of Education Office of the Inspector General for investigations related to fraud, theft, waste, and abuse or other misuse of public funds by a program participant in a department program pursuant to chapter 127A.21.

(b) Data on individuals and employers that are collected, maintained, or used by the department in an investigation under section 268.182 are confidential as to data on individuals and protected nonpublic data not on individuals as defined in section 13.02, subdivisions 3 and 13, and must not be disclosed except under statute or district court order or to a party named in a criminal proceeding, administrative or judicial, for preparation of a defense.

(c) Data gathered by the department in the administration of the Minnesota unemployment insurance program must not be made the subject or the basis for any suit in any civil proceedings, administrative or judicial, unless the action is initiated by the department."

Delete the title and insert:

"A bill for an act relating to education; making changes to kindergarten through grade 12 education; modifying provisions for general education, education excellence, charter schools, education innovation, special education, health and nutrition, and state agencies; amending Minnesota Statutes 2024, sections 13.32, subdivision 5; 120A.41; 120B.021, subdivision 3; 120B.35, subdivision 3; 121A.22, subdivision 2; 121A.2205; 121A.2207; 122A.092, subdivision 2; 122A.441; 122A.70, subdivision 6; 124D.085; 124D.09, subdivisions 5, 5a, 9; 124D.093, subdivisions 3, 4; 124D.094, subdivision 1; 124D.119, subdivision 5; 124D.162, subdivision 4; 124D.42, subdivision 9; 124D.52, subdivision 2; 127A.21, subdivisions 1, 1a, 4, 5, by adding subdivisions; 127A.49, subdivision 3; 136A.1276, subdivision 4; 268.19, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 125A."

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

The report was adopted.

Moller and Novotny from the Committee on Public Safety Finance and Policy to which was referred:

H. F. No. 1354, A bill for an act relating to public safety; limiting scope of video made available by Bureau of Criminal Apprehension for officer-involved death investigations; amending Minnesota Statutes 2024, section 299C.80, subdivision 6.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2024, section 121A.038, subdivision 7, is amended to read:

Subd. 7. **Violence prevention.** (a) A school district or charter school conducting an active shooter drill must provide students in middle school and high school at least one hour, or one standard class period, of violence prevention training annually.

(b) The violence prevention training must be evidence-based and may be delivered in-person, virtually, or digitally. Training must, at a minimum, teach students the following:

(1) how to identify observable warning signs and signals of an individual who may be at risk of harming oneself or others;

(2) the importance of taking threats seriously and seeking help; and

(3) the steps to report dangerous, violent, threatening, harmful, or potentially harmful activity, including providing information about the Department of Public Safety's statewide anonymous threat reporting system and any local threat reporting systems.

(c) By July 1, 2024, the commissioner of public safety and the commissioner of education must jointly develop a list of evidence-based trainings that a school district or charter school may use to fulfill the requirements of this section, including no-cost programming, if any. The agencies must:

(1) post the list publicly on the Minnesota School Safety Center's website; and

(2) update the list every two years.

(d) A school district or charter school must ensure that students have the opportunity to contribute to their school's safety and violence prevention planning, aligned with the recommendations for multihazard planning for schools, including but not limited to:

(1) student opportunities for leadership related to prevention and safety;

(2) encouragement and support to students in establishing clubs and programs focused on safety; and

(3) providing students with the opportunity to seek help from adults and to learn about prevention connected to topics including bullying, sexual harassment, sexual assault, and suicide.

Sec. 2. Minnesota Statutes 2024, section 121A.06, is amended to read:

121A.06 REPORTS OF DANGEROUS WEAPON INCIDENTS AND ACTIVE SHOOTER INCIDENTS IN SCHOOL ZONES.

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

(1) "active shooter incident" means an event involving an armed individual or individuals on campus or an armed assailant in the immediate vicinity of the school;

(2) "active shooter threat" means a real or perceived threat that an active shooter incident will occur;

~~(1)~~ (3) "dangerous weapon" has the meaning given ~~it~~ in section 609.02, subdivision 6;

~~(2)~~ (4) "school" has the meaning given ~~it~~ in section 120A.22, subdivision 4; and

~~(3)~~ (5) "school zone" has the meaning given ~~it~~ in section 152.01, subdivision 14a, clauses (1) and (3).

Subd. 2. **Dangerous weapons reports; content.** School districts must electronically report to the commissioner of education incidents involving the use or possession of a dangerous weapon in school zones. The ~~form~~ report must include the following information:

(1) a description of each incident, including a description of the dangerous weapon involved in the incident;

(2) where, at what time, and under what circumstances the incident occurred;

(3) information about the offender, other than the offender's name, including the offender's age; whether the offender was a student and, if so, where the offender attended school; and whether the offender was under school expulsion or suspension at the time of the incident;

(4) information about the victim other than the victim's name, if any, including the victim's age; whether the victim was a student and, if so, where the victim attended school; and if the victim was not a student, whether the victim was employed at the school;

(5) the cost of the incident to the school and to the victim; and

(6) the action taken by the school administration to respond to the incident.

The commissioner shall provide an electronic reporting format that allows school districts to provide aggregate data.

Subd. 2a. **Active shooter reports; content.** (a) A school district, charter school, or cooperative unit under section 123A.24, subdivision 2, that serves students must electronically file an after-action review report for active shooter incidents and active shooter threats to the Minnesota Fusion Center. The report must include the following information:

(1) a description of each incident or threat;

(2) how the active shooter threat was communicated, including whether the threat was communicated through social media or email;

(3) information about the individual, other than the individual's name, including the individual's age; whether the individual was a student and, if so, where the individual attended school; and whether the individual was under school expulsion or suspension at the time of the incident;

(4) the immediate cost of the incident to the school, if any;

(5) the action taken by the school administration to respond to the incident or threat, including any referrals to law enforcement or mental health professionals; and

(6) the law enforcement agency or agencies with jurisdiction over the school, even if the incident did not result in a referral to law enforcement.

(b) Reports required under paragraph (a) must be submitted on a form provided by the Minnesota Fusion Center and in a manner consistent with the reporting school's safety plan. The Minnesota Fusion Center must consult with the Minnesota School Safety Center in creation of the reporting form.

Subd. 3. **Reports; filing requirements.** By July 31 of each year, each public school shall report incidents involving the use or possession of a dangerous weapon in school zones to the commissioner. The reports must be submitted using the electronic reporting system developed by the commissioner under subdivision 2. The commissioner shall compile the information it receives from the schools and report it annually to the commissioner of public safety and the legislature.

Sec. 3. Minnesota Statutes 2024, section 145.4718, is amended to read:

145.4718 PROGRAM EVALUATION.

(a) The director of child sex trafficking prevention established under section 145.4716 must conduct, or contract for, comprehensive evaluation of the statewide program for safe harbor for sexually exploited youth. The ~~first evaluation must be completed by June 30, 2015, and must be submitted~~ director must submit an updated evaluation to the commissioner of health and to the chairs and ranking minority members of the legislative committees with jurisdiction over health and public safety by September 1~~, 2015, and every two years thereafter~~ of each odd-numbered year. The evaluation must consider whether the program is reaching intended victims and whether support services are available, accessible, and adequate for sexually exploited youth, as defined in section 260C.007, subdivision 31.

(b) In conducting the evaluation, the director of child sex trafficking prevention must consider evaluation of outcomes, including whether the program increases identification of sexually exploited youth, coordination of investigations, access to services and housing available for sexually exploited youth, and improved effectiveness of services. The evaluation must also include examination of the ways in which penalties under section 609.3241 are assessed, collected, and distributed to ensure funding for investigation, prosecution, and victim services to combat sexual exploitation of youth.

Sec. 4. Minnesota Statutes 2024, section 171.24, is amended to read:

171.24 VIOLATIONS; DRIVING WITHOUT VALID LICENSE.

Subdivision 1. **Driving after suspension; misdemeanor.** Except as otherwise provided in subdivision 5, a person is guilty of a misdemeanor if:

(1) the person's driver's license or driving privilege has been suspended;

(2) the person has been given notice of or reasonably should know of the suspension; and

(3) the person disobeys the order by operating in this state any motor vehicle, the operation of which requires a driver's license, while the person's license or privilege is suspended.

Subd. 2. **Driving after revocation; misdemeanor.** Except as otherwise provided in subdivision 5, a person is guilty of a misdemeanor if:

(1) the person's driver's license or driving privilege has been revoked;

(2) the person has been given notice of or reasonably should know of the revocation; and

(3) the person disobeys the order by operating in this state any motor vehicle, the operation of which requires a driver's license, while the person's license or privilege is revoked.

Subd. 3. **Driving after cancellation; misdemeanor.** Except as otherwise provided in subdivision 5, a person is guilty of a misdemeanor if:

(1) the person's driver's license or driving privilege has been canceled;

(2) the person has been given notice of or reasonably should know of the cancellation; and

(3) the person disobeys the order by operating in this state any motor vehicle, the operation of which requires a driver's license, while the person's license or privilege is canceled.

Subd. 4. **Driving after disqualification; misdemeanor.** Except as otherwise provided in subdivision 5, a person is guilty of a misdemeanor if the person:

(1) has been disqualified from holding a commercial driver's license or been denied the privilege to operate a commercial motor vehicle;

(2) has been given notice of or reasonably should know of the disqualification; and

(3) disobeys the order by operating in this state a commercial motor vehicle while the person is disqualified to hold the license or privilege.

Subd. 5. **Gross misdemeanor violations.** (a) A person is guilty of a gross misdemeanor if:

(1) the person's driver's license or driving privilege has been canceled or denied under section 171.04, subdivision 1, clause (10);

(2) the person has been given notice of or reasonably should know of the cancellation or denial; and

(3) the person disobeys the order by operating in this state any motor vehicle, the operation of which requires a driver's license, while the person's license or privilege is canceled or denied.

(b) A person is guilty of a gross misdemeanor if the person commits a qualified violation and:

(1) the person causes a collision resulting in substantial bodily harm, as defined in section 609.02, subdivision 7a; great bodily harm, as defined in section 609.02, subdivision 8; or death to another; or

(2) the violation is within ten years of the first of two prior convictions under this section.

(c) For purposes of this subdivision, "qualified violation" means a violation of this section when the suspension, revocation, cancellation, denial, or loss of driving privilege is pursuant to:

(1) section 169.89, subdivision 5; 169A.52; 169A.54; 171.05, subdivision 2b, paragraph (d); 171.13, subdivision 3 or 4; 171.17, subdivision 1, paragraph (a), clause (1) or (10); 171.177; 171.18, subdivision 1, paragraph (a), clause (2), (3), (4), (5), or (11); 171.32; or 260B.225, subdivision 9;

(2) a violation of section 169.13; 169.21; 169.444; 609.19, subdivision 1, clause (2); or 609.487, subdivisions 3 to 5;

(3) any violation of chapter 169A; or

(4) a law from another state similar to those described in clauses (1) to (3).

Subd. 6. **Responsibility for prosecution.** (a) The attorney in the jurisdiction in which the violation occurred who is responsible for prosecution of misdemeanor violations of this section is also responsible for prosecution of gross misdemeanor violations of this section.

(b) Nothing in this section or section 609.035 or 609.04 limits the power of the state to prosecute or punish a person for conduct that constitutes any other crime under any other law of this state.

Subd. 7. **Sufficiency of notice.** (a) Notice of revocation, suspension, cancellation, or disqualification is sufficient if personally served, or if mailed by first class mail to the person's last known address or to the address listed on the person's driver's license. Notice is also sufficient if the person was informed that revocation, suspension, cancellation, or disqualification would be imposed upon a condition occurring or failing to occur, and where the condition has in fact occurred or failed to occur.

(b) It is not a defense that a person failed to file a change of address with the post office, or failed to notify the department ~~of Public Safety~~ of a change of name or address as required under section 171.11.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to offenses committed on or after that date.

Sec. 5. Minnesota Statutes 2024, section 241.021, subdivision 1, is amended to read:

Subdivision 1. **Correctional facilities; inspection; licensing.** (a) Except as provided in paragraph (b), the commissioner of corrections shall inspect and license all correctional facilities throughout the state, whether public or private, established and operated for the detention and confinement of persons confined or incarcerated therein according to law except to the extent that they are inspected or licensed by other state regulating agencies. The commissioner shall promulgate pursuant to chapter 14, rules establishing minimum standards for these facilities with

respect to their management, operation, physical condition, and the security, safety, health, treatment, and discipline of persons confined or incarcerated therein. These minimum standards shall include but are not limited to specific guidance pertaining to:

(1) screening, appraisal, assessment, and treatment for persons confined or incarcerated in correctional facilities with mental illness or substance use disorders;

(2) a policy on the involuntary administration of medications, including a process for determining on intake whether a Jarvis Order is in place and ensuring it will be followed during the confinement or incarceration;

(3) suicide prevention plans and training;

(4) verification of medications in a timely manner;

(5) well-being checks;

(6) discharge planning, including providing prescribed medications to persons confined or incarcerated in correctional facilities upon release;

(7) a policy on referrals or transfers to medical or mental health care in a noncorrectional institution;

(8) use of segregation and mental health checks;

(9) critical incident debriefings;

(10) clinical management of substance use disorders and opioid overdose emergency procedures;

(11) a policy regarding identification of persons with special needs confined or incarcerated in correctional facilities;

(12) a policy regarding the use of telehealth;

(13) self-auditing of compliance with minimum standards;

(14) information sharing with medical personnel and when medical assessment must be facilitated;

(15) a code of conduct policy for facility staff and annual training;

(16) a policy on death review of all circumstances surrounding the death of an individual committed to the custody of the facility; and

(17) dissemination of a rights statement made available to persons confined or incarcerated in licensed correctional facilities.

No individual, corporation, partnership, voluntary association, or other private organization legally responsible for the operation of a correctional facility may operate the facility unless it possesses a current license from the commissioner of corrections. Private adult correctional facilities shall have the authority of section 624.714, subdivision 13, if the Department of Corrections licenses the facility with the authority and the facility meets requirements of section 243.52.

The commissioner shall review the correctional facilities described in this subdivision at least once every two years, except as otherwise provided, to determine compliance with the minimum standards established according to this subdivision or other Minnesota statute related to minimum standards and conditions of confinement.

The commissioner shall grant a license to any facility found to conform to minimum standards or to any facility which, in the commissioner's judgment, is making satisfactory progress toward substantial conformity and the standards not being met do not impact the interests and well-being of the persons confined or incarcerated in the facility. A limited license under subdivision 1a may be issued for purposes of effectuating a facility closure. The commissioner may grant licensure up to two years. Unless otherwise specified by statute, all licenses issued under this chapter expire at 12:01 a.m. on the day after the expiration date stated on the license.

The commissioner shall have access to the buildings, grounds, books, records, staff, and to persons confined or incarcerated in these facilities. The commissioner may require the officers in charge of these facilities to furnish all information and statistics the commissioner deems necessary, at a time and place designated by the commissioner. Notwithstanding chapter 13 or any other state law classifying or restricting access to data, the officers in charge of these facilities must furnish all data available to the facility that the commissioner deems necessary to conduct a review of any emergency or unusual occurrence at the facility. Failure to provide or grant access to relevant information or statistics necessary to fulfill inspection or emergency or unusual occurrence reviews, as requested by the commissioner, may be grounds for the commissioner to take action against a correctional facility's license under subdivision 1a, 1b, or 1c.

All facility administrators of correctional facilities are required to report all deaths of individuals who died while committed to the custody of the facility, regardless of whether the death occurred at the facility or after removal from the facility for medical care stemming from an incident or need for medical care at the correctional facility, as soon as practicable, but no later than 24 hours of receiving knowledge of the death, including any demographic information as required by the commissioner.

All facility administrators of correctional facilities are required to report all other emergency or unusual occurrences as defined by rule, including uses of force by facility staff that result in substantial bodily harm or suicide attempts, to the commissioner of corrections within ten days from the occurrence, including any demographic information as required by the commissioner. The commissioner of corrections shall consult with the Minnesota Sheriffs' Association and a representative from the Minnesota Association of Community Corrections Act Counties who is responsible for the operations of an adult correctional facility to define "use of force" that results in substantial bodily harm for reporting purposes.

The commissioner may require that any or all such information be provided through the Department of Corrections detention information system. The commissioner shall post each inspection report publicly and on the department's website within 30 days of completing the inspection. The education program offered in a correctional facility for the confinement or incarceration of juvenile offenders must be approved by the commissioner of education before the commissioner of corrections may grant a license to the facility.

(b) For juvenile facilities licensed by the commissioner of human services, the commissioner may inspect and certify programs based on certification standards set forth in Minnesota Rules. For the purpose of this paragraph, "certification" has the meaning given it in section 245A.02.

(c) Any state agency which regulates, inspects, or licenses certain aspects of correctional facilities shall, insofar as is possible, ensure that the minimum standards it requires are substantially the same as those required by other state agencies which regulate, inspect, or license the same aspects of similar types of correctional facilities, although at different correctional facilities.

(d) Nothing in this section shall be construed to limit the commissioner of corrections' authority to promulgate rules establishing standards of eligibility for counties to receive funds under chapter 401, or to require counties to comply with operating standards the commissioner establishes as a condition precedent for counties to receive that funding.

(e) The department's inspection unit must report directly to a division head outside of the correctional institutions division.

Sec. 6. Minnesota Statutes 2024, section 241.021, is amended by adding a subdivision to read:

Subd. 4f. **Medication provision in correctional facilities.** Correctional facilities, as defined in subdivision 1, shall provide to incarcerated individuals the same medications prescribed to those individuals prior to their incarceration or confinement unless a licensed health care professional, as defined in chapter 147 or 148, determines the medication is no longer needed because the condition treated by the medication has resolved, the incarcerated individual no longer wishes to take the medication, or a more effective medication is prescribed to treat the condition and is acceptable to the incarcerated individual.

Sec. 7. **[299A.473] CERTAIN GIFTS ALLOWED AFTER OFFICER KILLED IN THE LINE OF DUTY.**

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Gift" means money, real or personal property, a plaque, or a service that is given and received without the giver receiving consideration of equal or greater value in return.

(c) "Killed in the line of duty" has the meaning given in section 299A.41, subdivision 3.

(d) "Plaque" means a decorative item with an inscription recognizing an individual for an accomplishment.

(e) "Political subdivision" means a county, home rule charter or statutory city, town, or any other political subdivision of the state.

(f) "Public safety officer" has the meaning given in section 299A.41, subdivision 4.

Subd. 2. **Gifts; conditions.** Notwithstanding sections 10A.071 and 471.895, a gift may be given by any person to one or more public safety officers if all of the following criteria are met:

(1) a public safety officer employed by the same state agency or political subdivision as the gift recipient was killed in the line of duty;

(2) the gift is given during the consecutive 24-month period beginning on the date of death of the public safety officer killed in the line of duty;

(3) the gift honors, commemorates, or provides team morale and cohesion services to the gift recipient; and

(4) the gift is in compliance with applicable gift policies, if the state agency or political subdivision has adopted such policies under subdivision 4.

Subd. 3. **State agency or political subdivision as recipient.** Notwithstanding any law or rule to the contrary, a state agency or political subdivision may receive a gift that meets the criteria of subdivision 2 on behalf of one or more public safety officers employed by the state agency or political subdivision. The gift must be distributed by the state agency or political subdivision to the intended public safety officer recipients:

(1) within one year of the receipt of the gift; and

(2) in compliance with applicable gift policies, if the state agency or political subdivision has adopted such policies under subdivision 4.

Subd. 4. **Gift policies.** A state agency or political subdivision may adopt policies with additional requirements and restrictions for gifts to public safety officers employed by the state agency or political subdivision.

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

Sec. 8. Minnesota Statutes 2024, section 299A.477, subdivision 2, is amended to read:

Subd. 2. **Program established.** The commissioner of public safety shall award a grant to the Minnesota Firefighter Initiative to administer a hometown heroes assistance program for Minnesota firefighters. The Minnesota Firefighter Initiative shall use the grant funds:

(1) to establish and fund critical illness coverage that provides monetary support payments to each firefighter who is diagnosed with a critical illness on or after August 1, 2021, and who applies for the payment. Monetary support shall be provided according to the requirements in subdivision 3;

(2) to develop a psychotherapy program customized to address emotional trauma experienced by firefighters, which includes providing peer-to-peer support, and to offer all firefighters in the state up to five psychotherapy sessions per year under the customized program, provided by mental health professionals;

(3) to coordinate additional psychotherapy sessions to firefighters who need them;

(4) to develop, ~~annually~~ update, and annually ~~provide~~ make available to all firefighters in the state at least two hours of training on critical illnesses, such as cancer and heart disease, and emotional trauma as causes of illness and death for firefighters; steps and best practices for firefighters to limit the occupational risks of cancer, heart disease, and emotional trauma; provide evidence-based suicide prevention strategies; and ways for firefighters to address occupation-related emotional trauma and promote emotional wellness. The training shall be presented by firefighters who attend an additional course to prepare them to serve as trainers; and

(5) for administrative and overhead costs of the Minnesota Firefighter Initiative associated with conducting the activities in clauses (1) to (4).

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

Sec. 9. Minnesota Statutes 2024, section 299C.055, is amended to read:

299C.055 LEGISLATIVE REPORT ON FUSION CENTER ACTIVITIES.

(a) The superintendent must prepare an annual report for the public and the legislature on the Minnesota Fusion Center (MNFC) that includes general information about the MNFC; the types of activities it monitors; the scale of information it collects; the local, state, and federal agencies with which it shares information; and the quantifiable

benefits it produces. None of the reporting requirements in this section supersede chapter 13 or any other state or federal law. The superintendent must report on activities for the preceding calendar year unless another time period is specified. The report must include the following information, to the extent allowed by other law:

(1) the MNFC's operating budget for the current biennium, number of staff, and staff duties;

(2) the number of publications generated and an overview of the type of information provided in the publications, including products such as law enforcement briefs, partner briefs, risk assessments, threat assessments, and operational reports;

(3) a summary of audit findings for the MNFC and what corrective actions were taken pursuant to audits;

(4) the number of data requests received by the MNFC and a general description of those requests;

(5) the types of surveillance and data analysis technologies utilized by the MNFC, such as artificial intelligence or social media analysis tools;

(6) a description of the commercial and governmental databases utilized by the MNFC to the extent permitted by law;

(7) the number of suspicious activity reports (SARs) received and processed by the MNFC;

(8) the number of SARs received and processed by the MNFC that were converted into Bureau of Criminal Apprehension case files, that were referred to the Federal Bureau of Investigation, or that were referred to local law enforcement agencies;

(9) the number of SARs received and processed by the MNFC that involve an individual on the Terrorist Screening Center watchlist;

(10) the number of requests for information (RFIs) that the MNFC received from law enforcement agencies and the number of responses to federal requests for RFIs;

(11) the names of the federal agencies the MNFC received data from or shared data with;

(12) the names of the agencies that submitted SARs;

(13) a summary description of the MNFC's activities with the Joint Terrorism Task Force; ~~and~~

(14) the number of investigations aided by the MNFC's use of SARs and RFIs~~.~~;

(15) the number of tips received through the Department of Public Safety's anonymous threat reporting system, including the See It, Say It, Send It application, and the number of those tips that the MNFC processed; and

(16) the number of active shooter incident reports received from school districts pursuant to section 121A.06, subdivision 2a, paragraph (b); a summary of the reports; and the number of reports that were converted into Bureau of Criminal Apprehension case files, that were referred to the Federal Bureau of Investigation, or that were referred to local law enforcement agencies.

(b) The report shall be provided to the chairs and ranking minority members of the committees of the house of representatives and senate with jurisdiction over data practices and public safety issues, and shall be posted on the MNFC website by February 15 each year beginning on February 15, 2024.

Sec. 10. Minnesota Statutes 2024, section 299C.52, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** As used in sections 299C.52 to 299C.565, the following terms have the meanings given them:

(a) "Child" means any person under the age of 18 years or any person certified or known to be mentally incompetent.

(b) "DNA" means deoxyribonucleic acid from a human biological specimen.

(c) "Endangered" means that a law enforcement official has received sufficient evidence that the missing person is at risk of physical injury or death. The following circumstances indicate that a missing person is at risk of physical injury or death:

(1) the person is missing as a result of a confirmed abduction or under circumstances that indicate that the person's disappearance was not voluntary;

(2) the person is missing under known dangerous circumstances;

(3) the person is missing more than 30 days;

(4) the person is under the age of 21 and at least one other factor in this paragraph is applicable;

(5) there is evidence the person is in need of medical attention or prescription medication such that it will have a serious adverse effect on the person's health if the person does not receive the needed care or medication;

(6) the person does not have a pattern of running away or disappearing;

(7) the person is mentally impaired;

(8) the person has dementia, a traumatic brain injury, Alzheimer's disease, or other cognitive impairments;

(9) there is evidence that the person may have been abducted by a noncustodial parent;

~~(9)~~ (10) the person has been the subject of past threats or acts of violence;

~~(10)~~ (11) there is evidence the person is lost in the wilderness, backcountry, or outdoors where survival is precarious and immediate and effective investigation and search and rescue efforts are critical; or

~~(11)~~ (12) any other factor that the law enforcement agency deems to indicate that the person may be at risk of physical injury or death, including a determination by another law enforcement agency that the person is missing and endangered.

(d) "Missing" means the status of a person after a law enforcement agency that has received a report of a missing person has conducted a preliminary investigation and determined that the person cannot be located.

(e) "NCIC" means National Crime Information Center.

Sec. 11. **[299C.77] FEDERAL BACKGROUND CHECKS BY POLITICAL SUBDIVISIONS.**

Subdivision 1. **Definition.** As used in this section, "applicant for licensure" means an individual or if the applicant is a corporation, limited liability company, partnership, or other legal entity, every officer, director, manager, and general partner of the entity, who seeks a license issued by a county or city to operate a business:

(1) that qualifies as an adult entertainment establishment under section 617.242, subdivision 1; or

(2) providing massage services.

Subd. 2. **Background check authorized.** (a) A county or city may investigate the criminal history background of any applicant for licensure.

(b) The investigation conducted pursuant to paragraph (a) must consist of a criminal history check of the state criminal records repository and a national criminal history check. The county or city must accept the applicant's signed criminal history records check consent form for the state and national criminal history check request, a full set of classifiable fingerprints, and required fees. The county or city must submit the applicant's completed criminal history records check consent form, full set of classifiable fingerprints, and required fees to the Bureau of Criminal Apprehension. After receiving this information, the bureau must conduct a Minnesota criminal history records check of the applicant. The bureau may exchange an applicant's fingerprints with the Federal Bureau of Investigation to obtain the applicant's national criminal history record information. The bureau must return the results of the Minnesota and federal criminal history records checks to the county or city. Using the criminal history data provided by the bureau, the county or city must determine whether the applicant is disqualified from licensure. The applicant's failure to cooperate with the county or city in conducting the records check is reasonable cause to deny an application.

Sec. 12. Minnesota Statutes 2024, section 299C.80, subdivision 6, is amended to read:

Subd. 6. **Reporting.** (a) As provided for in chapter 13, the superintendent must make all inactive investigative data for officer-involved death investigations that are public under section 13.82, subdivision 7, or other applicable law available on the bureau's website within 30 days ~~of the end of the last criminal appeal of a subject of an investigation.~~ of the case becoming inactive as defined in section 13.82, subdivision 7, except any video that does not record, describe, or otherwise document actions and circumstances surrounding the officer-involved death.

(b) By February 1 of each year, the superintendent shall report to the commissioner, the governor, and the chairs and ranking minority members of the legislative committees with jurisdiction over public safety finance and policy the following information about the unit: the number of investigations initiated; the number of incidents investigated; the outcomes or current status of each investigation; the charging decisions made by the prosecuting authority of incidents investigated by the unit; the number of plea agreements reached in incidents investigated by the unit; and any other information relevant to the unit's mission.

(c) Nothing in this subdivision modifies the requirements of chapter 13 or the classification of data.

Sec. 13. Minnesota Statutes 2024, section 471.198, is amended to read:

471.198 EXPENDITURES; NATIONAL NIGHT OUT; LAW ENFORCEMENT COMMUNITY EVENTS; FALLEN OFFICERS.

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Local government" means a home rule charter or statutory city, town, or county.

(c) "Qualified individual" means an individual with one of the following relationships to a local government expending money under this section:

(1) an employee of the local government;

(2) an immediate family member of an employee of the local government; or

(3) an immediate family member of a fallen officer who was employed by the local government.

Subd. 2. **Authorized expenditures.** (a) ~~Any home rule charter or statutory city or any town, county, or school district~~ A local government may spend money for the following purposes:

(1) National Night Out events held in the jurisdiction of the local government spending the money~~.~~;

~~(b) Any home rule charter or statutory city or any town, county, or school district may spend money for~~ (2) any event or purpose that the governing body of the local government determines will foster positive relationships between law enforcement and the community~~.~~;

(3) funding a funeral or memorial for a public safety officer killed in the line of duty; and

(4) funding travel and participation for qualified individuals in national memorial events for fallen public safety officers occurring within 24 months of a line-of-duty death of an officer or employee of the local government.

(b) A school district is authorized to spend money for the purposes of paragraph (a), clauses (1) and (2).

Subd. 3. **Contributions solicitation.** ~~(c)~~ Notwithstanding any law or ordinance to the contrary, any ~~home rule charter or statutory city, or any town, county,~~ local government or school district may, by resolution, authorize officials and staff to solicit contributions for the purposes authorized in ~~paragraphs (a) and (b)~~ subdivision 2.

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

Sec. 14. Minnesota Statutes 2024, section 595.02, subdivision 1, is amended to read:

Subdivision 1. **Competency of witnesses.** Every person of sufficient understanding, including a party, may testify in any action or proceeding, civil or criminal, in court or before any person who has authority to receive evidence, except as provided in this subdivision:

(a) A husband cannot be examined for or against his wife without her consent, nor a wife for or against her husband without his consent, nor can either, during the marriage or afterwards, without the consent of the other, be examined as to any communication made by one to the other during the marriage. This exception does not apply to a civil action or proceeding by one against the other, nor to a criminal action or proceeding for a crime committed by one against the other or against a child of either or against a child under the care of either spouse, nor to a criminal action or proceeding in which one is charged with homicide or an attempt to commit homicide and the date of the marriage of the defendant is subsequent to the date of the offense, nor to an action or proceeding for nonsupport, neglect, dependency, or termination of parental rights.

(b) An attorney cannot, without the consent of the attorney's client, be examined as to any communication made by the client to the attorney or the attorney's advice given thereon in the course of professional duty; nor can any employee of the attorney be examined as to the communication or advice, without the client's consent.

(c) A member of the clergy or other minister of any religion shall not, without the consent of the party making the confession, be allowed to disclose a confession made to the member of the clergy or other minister in a professional character, in the course of discipline enjoined by the rules or practice of the religious body to which the member of the clergy or other minister belongs; nor shall a member of the clergy or other minister of any religion be examined as to any communication made to the member of the clergy or other minister by any person seeking religious or spiritual advice, aid, or comfort or advice given thereon in the course of the member of the clergy's or other minister's professional character, without the consent of the person.

(d) A licensed physician or surgeon, dentist, or chiropractor shall not, without the consent of the patient, be allowed to disclose any information or any opinion based thereon which the professional acquired in attending the patient in a professional capacity, and which was necessary to enable the professional to act in that capacity; after the decease of the patient, in an action to recover insurance benefits, where the insurance has been in existence two years or more, the beneficiaries shall be deemed to be the personal representatives of the deceased person for the purpose of waiving this privilege, and no oral or written waiver of the privilege shall have any binding force or effect except when made upon the trial or examination where the evidence is offered or received.

(e) A public officer shall not be allowed to disclose communications made to the officer in official confidence when the public interest would suffer by the disclosure.

(f) Persons of unsound mind and persons intoxicated at the time of their production for examination are not competent witnesses if they lack capacity to remember or to relate truthfully facts respecting which they are examined.

(g) A registered nurse, psychologist, consulting psychologist, or licensed social worker engaged in a psychological or social assessment or treatment of an individual at the individual's request shall not, without the consent of the professional's client, be allowed to disclose any information or opinion based thereon which the professional has acquired in attending the client in a professional capacity, and which was necessary to enable the professional to act in that capacity. Nothing in this clause exempts licensed social workers from compliance with the provisions of section 626.557 and chapter 260E.

(h) An interpreter for a person disabled in communication shall not, without the consent of the person, be allowed to disclose any communication if the communication would, if the interpreter were not present, be privileged. For purposes of this section, a "person disabled in communication" means a person who, because of a hearing, speech or other communication disorder, or because of the inability to speak or comprehend the English language, is unable to understand the proceedings in which the person is required to participate. The presence of an interpreter as an aid to communication does not destroy an otherwise existing privilege.

(i) Licensed chemical dependency counselors shall not disclose information or an opinion based on the information which they acquire from persons consulting them in their professional capacities, and which was necessary to enable them to act in that capacity, except that they may do so:

(1) when informed consent has been obtained in writing, except in those circumstances in which not to do so would violate the law or would result in clear and imminent danger to the client or others;

(2) when the communications reveal the contemplation or ongoing commission of a crime; or

(3) when the consulting person waives the privilege by bringing suit or filing charges against the licensed professional whom that person consulted.

(j) A parent or the parent's minor child may not be examined as to any communication made in confidence by the minor to the minor's parent. A communication is confidential if made out of the presence of persons not members of the child's immediate family living in the same household. This exception may be waived by express consent to disclosure by a parent entitled to claim the privilege or by the child who made the communication or by failure of the child or parent to object when the contents of a communication are demanded. This exception does not apply to a civil action or proceeding by one spouse against the other or by a parent or child against the other, nor to a proceeding to commit either the child or parent to whom the communication was made or to place the person or property or either under the control of another because of an alleged mental or physical condition, nor to a criminal action or proceeding in which the parent is charged with a crime committed against the person or property of the communicating child, the parent's spouse, or a child of either the parent or the parent's spouse, or in which a child is charged with a crime or act of delinquency committed against the person or property of a parent or a child of a parent, nor to an action or proceeding for termination of parental rights, nor any other action or proceeding on a petition alleging child abuse, child neglect, abandonment or nonsupport by a parent.

(k) Sexual assault counselors may not be allowed to disclose any opinion or information received from or about the victim without the consent of the victim. However, a counselor may be compelled to identify or disclose information in investigations or proceedings related to neglect or termination of parental rights if the court determines good cause exists. In determining whether to compel disclosure, the court shall weigh the public interest and need for disclosure against the effect on the victim, the treatment relationship, and the treatment services if disclosure occurs. Nothing in this clause exempts sexual assault counselors from compliance with the provisions of section 626.557 and chapter 260E.

"Sexual assault counselor" for the purpose of this section means a person who has undergone at least 40 hours of crisis counseling training and works under the direction of a supervisor in a crisis center, whose primary purpose is to render advice, counseling, or assistance to victims of sexual assault.

(l) A domestic abuse advocate ~~may~~ shall not, without the consent of the victim, be ~~compelled~~ allowed to disclose any opinion or information received from or about the victim ~~without the consent of the victim unless ordered by the court~~ that the advocate acquired in attending to the victim in a professional capacity. ~~In determining whether to compel disclosure, the court shall weigh the public interest and need for disclosure against the effect on the victim, the relationship between the victim and domestic abuse advocate, and the services if disclosure occurs.~~ Nothing in this paragraph (1) exempts domestic abuse advocates from compliance with the provisions of section 626.557 and chapter 260E, or (2) modifies a prosecutor's obligation to disclose material and information to the defense when the information is in the possession or control of members of the prosecution staff and of any others who have participated in the investigation or evaluation of the case and who either regularly report, or with reference to the particular case have reported, to the prosecutor's office.

For the purposes of this section, "domestic abuse advocate" means an employee or supervised volunteer from a community-based ~~battered women's shelter and~~ domestic abuse program eligible to receive grants under section 611A.32; that provides information, advocacy, crisis intervention, emergency shelter, or support to victims of domestic abuse and who is not employed by or under the direct supervision of a law enforcement agency, a prosecutor's office, or by a city, county, or state agency.

(m) A person cannot be examined as to any communication or document, including work notes, made or used in the course of or because of mediation pursuant to an agreement to mediate or a collaborative law process pursuant to an agreement to participate in collaborative law. This does not apply to the parties in the dispute in an application to a court by a party to have a mediated settlement agreement or a stipulated agreement resulting from the collaborative law process set aside or reformed. A communication or document otherwise not privileged does not become privileged because of this paragraph. This paragraph is not intended to limit the privilege accorded to communication during mediation or collaborative law by the common law.

(n) A child under ten years of age is a competent witness unless the court finds that the child lacks the capacity to remember or to relate truthfully facts respecting which the child is examined. A child describing any act or event may use language appropriate for a child of that age.

(o) A communication assistant for a telecommunications relay system for persons who have communication disabilities shall not, without the consent of the person making the communication, be allowed to disclose communications made to the communication assistant for the purpose of relaying.

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

Sec. 15. Minnesota Statutes 2024, section 609.101, subdivision 2, is amended to read:

Subd. 2. **Minimum fines.** Notwithstanding any other law, when a court sentences a person convicted of violating section 609.221, 609.222, 609.223, 609.2231, 609.224, 609.2242, 609.267, 609.2671, 609.2672, 609.342, 609.343, 609.344, or 609.345, it must impose a fine of not less than 30 percent of the maximum fine authorized by law nor more than the maximum fine authorized by law.

The court shall collect the portion of the fine mandated by this subdivision and forward 70 percent of it to a local victim assistance program that provides services locally in the county in which the crime was committed. The court shall forward the remaining 30 percent to the commissioner of management and budget to be credited to the general fund. If more than one victim assistance program serves the county in which the crime was committed, the court may designate on a case-by-case basis which program will receive the fine proceeds, giving consideration to the nature of the crime committed, the types of victims served by the program, and the funding needs of the program. If no victim assistance program serves that county, the court shall forward 100 percent of the fine proceeds to the commissioner of management and budget to be credited to the general fund. Fine proceeds received by a local victim assistance program must be used to provide direct services to crime victims.

The minimum fine required by this subdivision is in addition to the surcharge or assessment required by section 357.021, subdivision 6, and is in addition to any sentence of imprisonment or restitution imposed or ordered by the court.

As used in this subdivision, "victim assistance program" means victim witness programs within county attorney offices or any of the following programs: crime victim crisis centers, victim-witness programs, ~~battered women~~ domestic abuse victim shelters and nonshelter programs, ~~and~~ sexual assault programs, and children's advocacy centers as defined in section 260E.02, subdivision 5.

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

Sec. 16. Minnesota Statutes 2024, section 611A.02, is amended to read:

611A.02 NOTIFICATION OF VICTIM SERVICES AND VICTIMS' RIGHTS.

Subd. 2. **Victims' rights.** (a) The Office of Justice Programs in the Department of Public Safety shall update the ~~two~~ model notices of the rights of crime victims required to be distributed under this section and section 629.341.

(b) The initial notice of the rights of crime victims must be distributed by a peace officer to each victim, as defined in section 611A.01, at the time of initial contact with the victim at the scene or when the victim makes a report. The notice, which may be distributed as a document or electronically, must inform a victim of:

(1) the victim's right to apply ~~for reparations~~ to the Minnesota Crime Victims Reimbursement Program to cover losses, not including property losses, resulting from a violent crime ~~and the telephone number to call to request an application~~ and information on how to apply;

(2) the victim's right to request that the law enforcement agency withhold public access to data revealing the victim's identity under section 13.82, subdivision 17, paragraph (d);

(3) the additional rights of domestic abuse victims as described in section 629.341;

(4) information on statewide crime victim help lines, the state address confidentiality program, and the nearest crime victim assistance program or resource; and

(5) the ~~victim's rights, if an offender is charged, to be informed of and participate in the prosecution process, including the right to request restitution; and~~ right to be notified if an offender is charged, to participate in the prosecution process, and to request restitution upon conviction.

~~(6)~~ (c) A supplemental notice must be distributed by law enforcement agencies in homicide cases~~,~~ and must include resources and information specific to homicide victims and information on rights and procedures available under sections 524.2-803, 524.3-614, and 524.3-615.

~~(c)~~ (d) A supplemental notice of the rights of crime victims must be distributed by the city or county attorney's office to each victim~~,~~ within a reasonable time after the offender is charged or petitioned. This notice must inform a victim of all the rights of crime victims under this chapter.

Subd. 3. **Notice of rights of victims in juvenile court.** ~~(a) The Office of Justice Programs in the Department of Public Safety shall update the notice of the rights of victims in juvenile court that explains~~ A supplemental notice shall be distributed by the prosecutor's office to each victim of an offense committed by a juvenile within a reasonable time after the petition is filed. This notice must notify the victim of:

(1) the rights of victims in the juvenile court;

(2) when a juvenile matter is public;

(3) the procedures to be followed in juvenile court proceedings; ~~and~~

(4) the right to attend certain juvenile court proceedings;

(5) the information related to the juvenile case that is available to victims; and

~~(4)~~ (6) other relevant matters.

~~(b) The juvenile court shall distribute a copy of the notice to each victim of juvenile crime who attends a juvenile court proceeding, along with a notice of services for victims available in that judicial district.~~

Sec. 17. Minnesota Statutes 2024, section 611A.0315, is amended to read:

611A.0315 VICTIM NOTIFICATION; DOMESTIC ASSAULT; CRIMINAL SEXUAL CONDUCT; HARASSMENT; STALKING.

Subdivision 1. **Notice of decision not to prosecute.** (a) A prosecutor shall make every reasonable effort to notify a victim of domestic assault, a criminal sexual conduct offense, ~~or~~ harassment or stalking, a violation of an order for protection, domestic abuse no contact order, or harassment restraining order that the prosecutor has

decided to decline prosecution of the case or to dismiss the criminal charges filed against the defendant. Efforts to notify the victim should include, in order of priority: (1) contacting the victim or a person designated by the victim by telephone; and (2) contacting the victim by email or mail. If a suspect is still in custody, ~~the~~ a telephone or email notification attempt shall be made before the suspect is released from custody.

(b) Whenever a prosecutor dismisses criminal charges against a person accused of domestic assault, a criminal sexual conduct offense, ~~or~~ harassment or stalking, a violation of an order for protection, or a violation of a harassment restraining order, a record shall be made of the specific reasons for the dismissal. If the dismissal is due to the unavailability of the witness, the prosecutor shall indicate the specific reason that the witness is unavailable.

(c) Whenever a prosecutor notifies a victim of domestic assault, criminal sexual conduct, or harassment or stalking under this section, the prosecutor shall also inform the victim of the method and benefits of seeking an order for protection under section 518B.01 or a restraining order under section 609.748 and that the victim may seek an order without paying a fee.

Subd. 2. **Definitions.** For the purposes of this section, the following terms have the meanings given ~~them~~.

(a) "Assault" has the meaning given it in section 609.02, subdivision 10.

(b) "Domestic assault" means an assault committed by the actor against a family or household member.

(c) "Family or household member" has the meaning given it in section 518B.01, subdivision 2.

(d) "Harassment" or "stalking" means a violation of section 609.749.

(e) "Criminal sexual conduct offense" means a violation of sections 609.342 to 609.3453.

(f) "Violation of an order for protection" has the meaning given in section 518B.01, subdivision 14.

(g) "Violation of a harassment restraining order" has the meaning given in section 609.748, subdivision 6.

Sec. 18. Minnesota Statutes 2024, section 629.341, subdivision 3, is amended to read:

Subd. 3. **Notice of rights.** The peace officer shall ~~tell~~ orally notify the victim ~~whether a~~ about shelter or other services ~~are~~ available in the community and give the victim immediate written notice of the legal ~~rights and~~ remedies and resources available. The written notice must include ~~furnishing the victim a copy of~~ the following statement:

~~"IF YOU ARE THE VICTIM OF DOMESTIC VIOLENCE, you can ask the city or county attorney to file a criminal complaint. You also have the right to go to court and file a petition requesting an order for protection from domestic abuse. The order could include the following:~~

~~(1) an order restraining the abuser from further acts of abuse;~~

~~(2) an order directing the abuser to leave your household;~~

~~(3) an order preventing the abuser from entering your residence, school, business, or place of employment;~~

~~(4) an order awarding you or the other parent custody of or parenting time with your minor child or children; or~~

~~(5) an order directing the abuser to pay support to you and the minor children if the abuser has a legal obligation to do so."~~

"IF YOU ARE A VICTIM OF DOMESTIC VIOLENCE, you can file a petition with the court for an order for protection and ask that the person responsible for the domestic violence:

(1) Be restrained from further acts of abuse;

(2) Leave your household;

(3) Stay away from your residence, school, business, or place of employment; and

(4) Pay temporary support to you and for the minor child if the person is legally obligated to do so.

In your petition, you can request a custody and parenting time order for a child in common with the person."

The notice must include the ~~resource listing, including telephone number, for the area program that provides~~ statewide domestic abuse help line and contact information for area organizations providing services to victims of domestic abuse as ~~shelter,~~ designated by the Office of Justice Programs in the Department of Public Safety.

Sec. 19. **USE OF EXISTING SUPPLY.**

A law enforcement agency, city attorney's office, or county attorney's office may exhaust existing notices before producing materials with the modifications required under Minnesota Statutes, sections 611A.02, subdivision 2, and 629.341, subdivision 3.

Sec. 20. **TITLE.**

Sections 5 and 6 of this act shall be known as the "Larry R. Hill Medical Reform Act.""

Delete the title and insert:

"A bill for an act relating to public safety; requiring director of child sex trafficking prevention to submit program evaluation each odd-numbered year to legislature; enhancing penalties and establishing minimum fines for repeat violations of driving without a valid license; requiring reporting on active shooter incidents and active shooter threats; modifying reporting to Minnesota Fusion Center; providing for improved care in facilities licensed by Department of Corrections; allowing for acceptance of certain gifts related to death of public safety officer in the line of duty; clarifying scope of hometown heroes program; authorizing local government expenditures for public safety officers killed in the line of duty; specifying conditions in which a missing person may be considered endangered; authorizing local units of government to conduct criminal background checks under certain circumstances; limiting scope of video made available by Bureau of Criminal Apprehension for officer-involved death investigations; prohibiting domestic abuse advocates from disclosing certain information; including children's advocacy centers as a victim assistance program entitled to a portion of certain fines; extending victim notification to order for protection and harassment restraining order violations not prosecuted; clarifying and updating victim notification requirements for law enforcement agencies and prosecutors; providing for reports; amending Minnesota Statutes 2024, sections 121A.038, subdivision 7; 121A.06; 145.4718; 171.24; 241.021, subdivision 1, by adding a subdivision; 299A.477, subdivision 2; 299C.055; 299C.52, subdivision 1; 299C.80, subdivision 6; 471.198; 595.02, subdivision 1; 609.101, subdivision 2; 611A.02; 611A.0315; 629.341, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 299A; 299C."

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

The report was adopted.

Freiberg and Quam from the Committee on Elections Finance and Government Operations to which was referred:

H. F. No. 1378, A bill for an act relating to elections; modifying certain filing dates and reporting requirements; amending Minnesota Statutes 2024, sections 10A.09, subdivision 1; 205.13, subdivision 1a; 211A.02, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2024, section 10A.09, subdivision 1, is amended to read:

Subdivision 1. **Time for filing.** An individual must file a statement of economic interest:

(1) within 60 days of accepting employment as a public official or a local official in a metropolitan governmental unit;

(2) within 60 days of assuming office as a district court judge, appeals court judge, supreme court justice, or county commissioner;

(3) within 14 days after ~~filing~~ the candidate filing period ends where the candidate filed an affidavit of candidacy or petition to appear on the ballot for an elective state constitutional or legislative office or an elective local office in a metropolitan governmental unit other than county commissioner;

(4) in the case of a public official requiring the advice and consent of the senate, within 14 days after undertaking the duties of office; or

(5) in the case of members of the Minnesota Racing Commission, the director of the Minnesota Racing Commission, chief of security, medical officer, inspector of pari-mutuels, and stewards employed or approved by the commission or persons who fulfill those duties under contract, within 60 days of accepting or assuming duties.

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

Sec. 2. Minnesota Statutes 2024, section 200.031, is amended to read:

200.031 DETERMINATION OF RESIDENCE.

Residence shall be determined in accordance with the following principles, so far as they may be applicable to the facts of the case:

(1) The residence of an individual is in the precinct where the individual's home is located, from which the individual has no present intention of moving, and to which, whenever the individual is absent, the individual intends to return.

(2) An individual does not lose residence if the individual leaves home to live temporarily in another state or precinct.

(3) An individual does not acquire a residence in any precinct of this state if the individual is living there only temporarily, without the intention of making that precinct home.

(4) If an individual goes into another state or precinct with the intention of making it home or files an affidavit of residence there for election purposes, the individual loses residence in the former precinct.

(5) If an individual moves to another state with the intention of living there for an indefinite period, the individual loses residence in this state, notwithstanding any intention to return at some indefinite future time.

(6) Except as otherwise provided in this section, an individual's residence is located in the precinct where the individual's family lives, unless the individual's family is living in that precinct only temporarily.

(7) If an individual's family lives in one precinct and the individual lives or does business in another, the individual's residence is located in the precinct where the individual's family lives, unless the individual establishes a home in the other precinct and intends to remain there, with or without the individual's family.

(8) The residence of a single individual is in the precinct where the individual lives and usually sleeps.

(9) The mere intention to acquire a new residence, is not sufficient to acquire a new residence, unless the individual moves to that location; moving to a new location is not sufficient to acquire a new residence unless the individual intends to remain there.

(10) The residence of an individual who is working temporarily in any precinct of this state is in the precinct where the individual's permanent home is located.

(11) The residence of an individual who is living permanently in a soldiers' home or nursing home is in the precinct where the home is located.

(12) If an individual's home lies in more than one precinct or political subdivision, the residence of the individual is in the precinct in which a majority of the room in which the individual usually sleeps is located.

(13) If an individual's home is destroyed or rendered uninhabitable by fire or natural disaster, the individual does not lose residence in the precinct where the home is located if the individual intends to return to the home when it is reconstructed or made habitable.

(14) The residence of a person committed to a secure treatment facility as a sexual psychopathic personality or as a sexually dangerous person under chapter 253D is the person's last known residential address prior to issuance of the committal order.

Sec. 3. Minnesota Statutes 2024, 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 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 who provides proof that they are 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. An election judge may not sign a proof of residence oath vouching for any individual who appears in the precinct where the election judge is working. 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.~~ The secretary of state must publish guidance for residential facilities and residential facility employees on the vouching process and the requirements of this subdivision.

(c) "Residential facility" means transitional housing as defined in section 256K.48, 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 245.462, 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. 4. Minnesota Statutes 2024, section 201.061, subdivision 3a, is amended to read:

Subd. 3a. **Additional proofs of residence permitted for students.** (a) 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; 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 later 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 in the institution's housing and, for students who do not live in the institution's housing, that it reflects the institution's records as of the date of the certification.

(e) This additional proof of residence for students must be allowed during the 18 days before an election and on election day. 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.

Sec. 5. Minnesota Statutes 2024, 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 or location 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. 6. Minnesota Statutes 2024, 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, or 203B.29, an application for absentee ballots for any election:

(1) may be submitted in person at any time not later than the day before the election; or

(2) if not submitted in person as provided in clause (1), must be received at any time not less than ~~one day~~ seven days before the day of that election.

(b) 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.

~~(b)~~ (c) 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. After 5:00 p.m. seven days prior to an election, the secretary of state must replace the electronic application with information detailing the available options to vote before and on the upcoming election day. Notwithstanding paragraph ~~(d)~~ (e), the secretary of state must require applicants using the website to submit the applicant's email address and the applicant's:

(1) verifiable Minnesota driver's license number~~,~~ or Minnesota state identification card number~~, or~~; and

(2) the last four digits of the applicant's Social Security number.

If an applicant does not possess both types of documents, the applicant must include the number for one type of document and must affirmatively certify that the applicant does not possess the other type of documentation. This paragraph does not apply to a town election held in March.

~~(c)~~ (d) An application submitted electronically under ~~this~~ paragraph (c) 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.

~~(d)~~ (e) 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.

All applications must be retained by the county auditor or the municipal clerk or school district clerk, if applicable. If an application is received after 5:00 p.m. seven days prior to the election, the official in charge of the ballot board must, within one day of receipt of the application, attempt to contact the applicant by telephone or email to notify the applicant of opportunities to vote in the election. The official must document the attempts made to contact the applicant.

~~(e)~~ (f) 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.

~~(f)~~ (g) 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~~ seven days after it has been dated by the voter and no later than ~~six~~ seven days before the election.

~~(g)~~ (h) An application under this subdivision may contain an application under subdivision 5 to automatically receive an absentee ballot.

Sec. 7. Minnesota Statutes 2024, section 203B.05, subdivision 1, is amended to read:

Subdivision 1. **Generally.** The full-time clerk of any city or town shall administer the provisions of sections 203B.04 to 203B.15 and 203B.30 if:

(1) the county auditor of that county has designated the clerk to administer them and the clerk accepts that responsibility; or

(2) the clerk has given the county auditor of that county notice of intention to administer them.

The designation or notice must specify whether the clerk will be responsible for the administration of a ballot board as provided in section 203B.121 and whether the municipality's office will be designated an absentee voting location pursuant to section 203B.081, subdivision 1, or only for early voting pursuant to section 203B.081, subdivision 1a.

A clerk of a city that is located in more than one county may only administer the provisions of sections 203B.04 to 203B.15 and 203B.30 if the clerk has been designated by each of the county auditors or has provided notice to each of the county auditors that the city will administer absentee voting. A clerk may only administer the provisions of sections 203B.04 to 203B.15 and 203B.30 if the clerk has technical capacity to access the statewide voter registration system in the secure manner prescribed by the secretary of state. The secretary of state must identify hardware, software, security, or other technical prerequisites necessary to ensure the security, access controls, and performance of the statewide voter registration system. A clerk must receive training approved by the secretary of state on the use of the statewide voter registration system before administering this section. A clerk may not use the statewide voter registration system until the clerk has received the required training. The county auditor must notify the secretary of state of any municipal clerk who will be administering the provisions of this section and the duties that the clerk will administer.

EFFECTIVE DATE. This section is effective upon the revisor of statutes' receipt of the early voting certification and applies to elections held on or after the 85th day after the revisor of statutes receives the certification.

Sec. 8. Minnesota Statutes 2024, section 203B.08, subdivision 1, is amended to read:

Subdivision 1. **Marking and return by voter.** (a) An eligible voter who receives absentee ballots as provided in this chapter shall mark them in the manner specified in the directions for casting the absentee ballots. The ~~return~~ signature envelope containing marked ballots may be mailed as provided in the directions for casting the absentee ballots, may be left with the county auditor or municipal clerk who transmitted the absentee ballots to the voter, or may be left in a drop box as provided in section 203B.082. If delivered in person, the ~~return~~ signature envelope must be submitted to the county auditor or municipal clerk by 8:00 p.m. on election day.

(b) The voter may designate an agent to deliver in person the sealed ~~absentee ballot return~~ signature envelope to the county auditor or municipal clerk or to deposit the ~~return~~ signature envelope in the mail. An agent may deliver or mail the ~~return~~ signature envelopes of not more than three voters in any election. Any person designated as an agent who tampers with either the ~~return~~ signature envelope or the voted ballots or does not immediately mail or deliver the ~~return~~ signature envelope to the county auditor or municipal clerk is guilty of a misdemeanor.

Sec. 9. Minnesota Statutes 2024, section 203B.08, subdivision 3, is amended to read:

Subd. 3. **Procedures on receipt of ballots.** When absentee ballots are returned to a county auditor or municipal clerk, that official shall stamp or initial and date the ~~return~~ signature envelope and place it in a locked ballot container or other secured and locked space with other ~~return~~ signature envelopes received by that office. Within five days after receipt, the county auditor or municipal clerk shall deliver to the ballot board all ~~ballots~~ signature envelopes received, except that during the 14 days immediately preceding an election, the county auditor or municipal clerk shall deliver all ~~ballots~~ signature envelopes received to the ballot board within three days. ~~Ballots~~ Signature envelopes received on election day after 8:00 p.m. shall be marked as received late by the county auditor or municipal clerk, and must not be delivered to the ballot board.

Sec. 10. Minnesota Statutes 2024, 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 or off-reservation Tribal Lands in the county, the county auditor must establish an additional polling place for at least one day on the Indian reservation or off-reservation Tribal Lands 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.

(d) Within five business days of designating an additional polling place under this subdivision, the county auditor or municipal clerk must post on the county's or municipality's website the address of the polling place and the dates and times the polling place will be available for voting. Within five business days of receiving the notice described in paragraph (a), the secretary of state must post on the secretary of state's website the address of the polling place and the dates and times the polling place will be available for voting. If a designation applies to both a primary and general election, a separate notice must be provided for each election, and the notice for the general election may not be posted until after the date of the primary election.

Sec. 11. Minnesota Statutes 2024, section 203B.12, subdivision 10, is amended to read:

Subd. 10. **Names of persons; absentee ballot applications.** The names of voters who have submitted an absentee ballot application to the county auditor or municipal clerk, the date on which the application was signed, the date on which the application was accepted, and the method of submission must be available to the public in the same manner as public information lists in section 201.091, subdivisions 4, 5, and 9.

Sec. 12. Minnesota Statutes 2024, section 203B.121, subdivision 4, is amended to read:

Subd. 4. **Opening of envelopes.** (a) After the close of business on the 19th day before the election, the ballots from ~~secrecy~~ ballot envelopes within the signature envelopes marked "Accepted" may be opened, duplicated as needed in the manner provided in section 206.86, subdivision 5, initialed by the members of the ballot board, and deposited in the appropriate ballot box. If more than one voted ballot is enclosed in the ballot envelope, the ballots must be returned in the manner provided by section 204C.25 for return of spoiled ballots, and may not be counted.

(b) Accepted signature envelopes must be segregated by precinct and processed in accordance with this subdivision on a precinct-by-precinct basis. Precincts within a combination polling place established in section 205A.11, subdivision 2, may be processed together. At each step, members of the ballot board must notify the official responsible for the ballot board if there is a discrepancy in any count required by paragraphs (c) to (e) and note it in the ballot board incident log.

(c) Before opening accepted signature envelopes, two members of the ballot board must count and record the number of envelopes and ensure that the count matches either the number of accepted signature envelopes provided by the official responsible for the ballot board or the number of signature envelopes accepted by the ballot board that day.

(d) Two members of the ballot board must remove the ballots from the ballot envelopes. The governing body responsible for the ballot board must not dispose of or destroy any ballot envelopes until 30 days after the deadline for bringing an election contest expires or, if a contest is filed, 30 days after completion of the contest and any related appeals, whichever is later.

(e) After ballots have been removed from the ballot envelopes, two members of the ballot board must count and record the number of ballots to ensure the count matches the number of accepted signature envelopes, accounting for any empty envelopes or spoiled ballots, which must be noted on the ballot board incident log.

Sec. 13. Minnesota Statutes 2024, section 203B.121, subdivision 5, is amended to read:

Subd. 5. **Storage and counting of absentee ballots.** (a) On a day on which absentee ballots are inserted into a ballot box, two members of the ballot board must:

(1) remove the ballots from the ballot box at the end of the day;

(2) without inspecting the ballots, ensure that the number of ballots removed from the ballot box is equal to the number of ~~voters whose~~ absentee ballots ~~were accepted~~ from the tally in subdivision 4 that were to be inserted into the ballot box that day; and

(3) seal and secure all voted and unvoted ballots present in that location at the end of the day.

(b) After the polls have closed on election day, two members of the ballot board must count the ballots, tabulating the vote in a manner that indicates each vote of the voter and the total votes cast for each candidate or question. In state primary and state general elections, the results must indicate the total votes cast for each candidate or question in each precinct and report the vote totals tabulated for each precinct. The count must be recorded on a summary statement in substantially the same format as provided in section 204C.26. The ballot board ~~shall~~ must submit at least one completed summary statement to the county auditor or municipal clerk. The county auditor or municipal clerk may require the ballot board to submit a sufficient number of completed summary statements to comply with the provisions of section 204C.27, or the county auditor or municipal clerk may certify reports containing the details of the ballot board summary statement to the recipients of the summary statements designated in section 204C.27.

~~In state primary and state general elections,~~ These vote totals ~~shall~~ must be added to the vote totals on the summary statements of the returns for the appropriate precinct. ~~In other elections, these vote totals may be added to the vote totals on the summary statement of returns for the appropriate precinct or may be reported as a separate total.~~

The count ~~shall~~ must be public. No vote totals from ballots may be made public before the close of voting on election day.

(c) In addition to the requirements of paragraphs (a) and (b), if the task has not been completed previously, the members of the ballot board must verify as soon as possible, but no later than 24 hours after the end of the hours for voting, that voters whose absentee ballots arrived after the rosters were marked or supplemental reports were generated and whose ballots were accepted did not vote in person on election day. An absentee ballot submitted by a voter who has voted in person on election day must be rejected. All other accepted absentee ballots must be opened in accordance with the procedures outlined in subdivision 4, except for the absentee ballots cast using the alternative procedure in section 203B.081, subdivision 3, duplicated if necessary, and counted by members of the ballot board. The vote totals from these ballots must be incorporated into the totals with the other absentee ballots and handled according to paragraph (b).

Sec. 14. Minnesota Statutes 2024, section 203B.29, subdivision 1, is amended to read:

Subdivision 1. **Emergency response providers.** Any eligible Minnesota voter who is a trained or certified emergency response provider or utility worker who is deployed in response to any state of emergency declared by the President of the United States or any governor of any state within the United States during the time period authorized by law for absentee voting or on election day may request that ballots, instructions, and a certificate of voter eligibility be transmitted to the voter electronically. Upon receipt of a properly completed application requesting electronic transmission, the county auditor must electronically transmit the requested materials to the voter. The absentee ballot application deadlines in section 203B.04, subdivision 1, do not apply to this subdivision. The county auditor is not required to provide return postage to voters to whom ballots are transmitted electronically.

Sec. 15. Minnesota Statutes 2024, section 203B.29, subdivision 2, is amended to read:

Subd. 2. **Reasonable accommodation for voter with disability.** Any eligible Minnesota voter with a print disability, including any voter with disabilities that interfere with the effective reading, writing, or use of printed materials, may request that ballots, instructions, and a certificate of voter eligibility be transmitted to the voter

electronically in an accessible format that meets Election Assistance Commission minimum accessibility requirements. Upon receipt of a properly completed application requesting electronic transmission, the county auditor shall electronically transmit the requested materials to the voter. The absentee ballot application deadlines in section 203B.04, subdivision 1, do not apply to this subdivision. The county auditor must also mail the voter materials required under section 203B.07.

Sec. 16. Minnesota Statutes 2024, section 203B.30, subdivision 3, is amended to read:

Subd. 3. **Processing of ballots.** Each day when early voting occurs, the early voting officials must:

(1) remove and secure ballots cast ~~during the early voting period following the procedures in section 203B.121, subdivision 5, paragraph (a).,~~ noting the date, voting location, and number of ballots cast;

(2) without inspecting the ballots, ensure that the number of ballots removed from the ballot box is equal to the number of voter certificates that were signed by voters in subdivision 2, paragraph (b); and

(3) seal and secure all voted and unvoted ballots present in that location at the end of the day.

The ~~absentee~~ ballot board must count the ballots after the polls have closed on election day following the procedures in section 203B.121, subdivision 5, paragraph (b).

EFFECTIVE DATE. This section is effective upon the revisor of statutes' receipt of the early voting certification and applies to elections held on or after the 85th day after the revisor of statutes receives the certification.

Sec. 17. Minnesota Statutes 2024, 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. Except for affidavits of candidacy for (1) judicial office, (2) the office of county attorney, or (3) county sheriff, 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 an original bill is shown, the due date on the bill must be within 30 days before or after the beginning of the filing period or, for bills without a due date, dated within 30 days before the beginning of the filing period. 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. 18. Minnesota Statutes 2024, section 204B.09, subdivision 1a, is amended to read:

Subd. 1a. **Absent candidates.** (a) A candidate for special district, county, state, or federal office who will be absent from the state during the filing period may submit a properly executed affidavit of candidacy, the appropriate filing fee, and any necessary petitions in person to the filing officer. The candidate shall state in writing the reason for being unable to submit the affidavit during the filing period. The affidavit, filing fee, if any, and petitions must be submitted to the filing officer during the seven days immediately preceding the candidate's absence from the state. Nominating petitions may be signed during the 14 days immediately preceding the date when the affidavit of candidacy is filed.

(b) A candidate for special district, county, state, or federal office who will be absent from the state during the entire filing period or who must leave the state for the remainder of the filing period and who certifies to the secretary of state that the circumstances constitute an emergency and were unforeseen, may submit a properly executed affidavit of candidacy by facsimile device or by transmitting electronically a scanned image of the affidavit and proof of residence required in section 204B.06, subdivision 1b, to the secretary of state during the filing period. The candidate shall state in writing the specific reason for being unable to submit the affidavit by mail or by hand during the filing period or in person prior to the start of the filing period. The affidavit of candidacy, filing fee, if any, and any necessary petitions must be received by the secretary of state by 5:00 p.m. on the last day for filing. If the candidate is filing for a special district or county office, the secretary of state shall forward the affidavit of candidacy, filing fee, if any, and any necessary petitions to the appropriate filing officer. Copies of a proof of residence submitted under this subdivision are private data.

Sec. 19. Minnesota Statutes 2024, section 204B.09, subdivision 2, is amended to read:

Subd. 2. **Other elections.** Affidavits of candidacy and nominating petitions for city, town or other elective offices shall be filed during the time and with the official specified in chapter 205 or other applicable law or charter, except as provided for a special district candidate under subdivision 1a. Affidavits of candidacy and applications filed on behalf of eligible voters for school board office shall be filed during the time and with the official specified in chapter 205A or other applicable law. Affidavits of candidacy, including proof of residence required in section 204B.06, subdivision 1b, and nominating petitions filed under this subdivision must be submitted by mail or by hand, notwithstanding chapter 325L, or any other law to the contrary, and must be received by the appropriate official within the specified time for the filing of affidavits and petitions for the office. Copies of a proof of residence submitted by mail are private data.

Sec. 20. Minnesota Statutes 2024, section 204B.14, subdivision 2, is amended to read:

Subd. 2. **Separate precincts; combined polling place.** (a) The following shall constitute at least one election precinct:

(1) each city ward; and

(2) each town and each statutory city.

(b) A single, accessible, combined polling place may be established no later than November 1 if a presidential nomination primary is scheduled to occur in the following year or May 1 of any other year:

(1) for any city of the third or fourth class, any town, or any city having territory in more than one county, in which all the voters of the city or town shall cast their ballots;

(2) for contiguous precincts in the same municipality;

(3) for up to four contiguous municipalities located entirely outside the metropolitan area, as defined by section 200.02, subdivision 24, that are contained in the same county; or

(4) for noncontiguous precincts located in one or more counties.

Subject to the requirements of paragraph (c), a single, accessible, combined polling place may be established after May 1 of any year in the event of an emergency.

A copy of the ordinance or resolution establishing a combined polling place must be filed with the county auditor within 30 days after approval by the governing body, and the county auditor must provide notice within ten days to the secretary of state, in a manner and including information prescribed by the secretary of state. A polling place combined under clause (3) must be approved by the governing body of each participating municipality. A polling place combined under clause (4) must be approved by the governing body of each participating municipality and the secretary of state and may be located outside any of the noncontiguous precincts. A municipality withdrawing from participation in a combined polling place must do so by filing a resolution of withdrawal with the county auditor no later than October 1 if a presidential nomination primary is scheduled to occur in the following year or April 1 of any other year, and the county auditor must provide notice within ten days to the secretary of state, in a manner and including information prescribed by the secretary of state.

The secretary of state shall provide a separate polling place roster for each precinct served by the combined polling place, except that in a precinct that uses electronic rosters the secretary of state shall provide separate data files for each precinct. <u>The secretary of state and county auditor must provide guidance to the election judges serving in a combined polling place on the procedures to be used to ensure each voter is provided the correct ballot for that voter's precinct.</u> A single set of election judges may be appointed to serve at a combined polling place. The number of election judges required must be based on the total number of persons voting at the last similar election in all precincts to be voting at the combined polling place. Separate ballot boxes must be provided for the ballots from each precinct. The results of the election must be reported separately for each precinct served by the combined polling place, except in a polling place established under clause (2) where one of the precincts has fewer than ten registered voters, in which case the results of that precinct must be reported in the manner specified by the secretary of state. <u>In addition to other required informational material and notices, a map showing the precincts served by the combined polling place, along with a notice that multiple ballot styles are in use, must be prominently displayed near the entrance to the combined polling place.</u>

(c) If a local elections official determines that an emergency situation preventing the safe, secure, and full operation of a polling place on election day has occurred or is imminent, the local elections official may combine two or more polling places for that election pursuant to this subdivision. To the extent possible, the polling places must be combined and the election conducted according to the requirements of paragraph (b), except that:

(1) polling places may be combined after May 1 and until the polls close on election day;

(2) any city or town, regardless of size or location, may establish a combined polling place under this paragraph;

(3) the governing body is not required to adopt an ordinance or resolution to establish the combined polling place;

(4) a polling place combined under paragraph (b), clause (3) or (4), must be approved by the local election official of each participating municipality;

(5) the local elections official must immediately notify the county auditor and the secretary of state of the combination, including the reason for the emergency combination and the location of the combined polling place. As soon as possible, the local elections official must also post a notice stating the reason for the combination and the location of the combined polling place. The notice must also be posted on the governing board's website, if one exists. The local elections official must also notify the election judges and request that local media outlets publicly announce the reason for the combination and the location of the combined polling place; and

(6) on election day, the local elections 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 combined 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 combined polling place will be extended until the specified time.

Sec. 21. Minnesota Statutes 2024, section 204B.16, subdivision 1a, is amended to read:

Subd. 1a. **Notice to voters.** (a) If the location of a polling place has been changed, the governing body establishing the polling place shall send to every affected household with at least one registered voter in the precinct a nonforwardable mailed notice stating the location of the new polling place at least 25 days before the next election. The secretary of state shall prepare a sample of this notice. A notice that is returned as undeliverable must be forwarded immediately to the county auditor. This ~~subdivision~~ paragraph does not apply to a polling place location that is changed on election day under section 204B.175.

(b) If the location of a polling place has been changed, the local official for the governing body establishing the polling place must post a notice in large print and in a conspicuous place at the closed polling place, if practicable, stating the location of the new polling place. The local election official must also post the notice, if practicable, in a location visible by voters who vote from their motor vehicles as provided in section 204C.15, subdivision 2. The notice must be in all languages required under section 204B.295 for that precinct. The notice must be posted for each special, primary, and general election until a general presidential election or redistricting has occurred. The secretary of state shall prepare a sample of this notice.

Sec. 22. Minnesota Statutes 2024, section 204B.16, subdivision 4, is amended to read:

Subd. 4. **Prohibited locations.** No polling place shall be designated in any place or in any adjoining room where intoxicating liquors ~~or~~; nonintoxicating malt beverages; or cannabis products, as defined in section 342.01, subdivision 20, are served or ~~in any adjoining room~~ sold. No polling place shall be designated in any place in which substantial compliance with the requirements of this chapter cannot be attained.

Sec. 23. **[204B.182] CHAIN OF CUSTODY PLANS.**

(a) The county auditor must develop a county elections chain of custody plan to be used in all state, county, municipal, school district, and special district elections held in that county. If any of the political subdivisions cross county lines, the affected counties must make efforts to ensure that the elections chain of custody procedures affecting the local jurisdiction are uniform throughout the jurisdiction. County auditors must file the elections chain of custody plans with the secretary of state.

(b) The chain of custody plan must account for both the physical and cyber security of elections-related materials. The plan must include sample chain of custody documentation.

(c) The secretary of state may provide additional guidance to counties on elections chain of custody best practices and planning.

(d) A municipal clerk, school district clerk, or special district clerk may create a local chain of custody plan for use in local elections not held in conjunction with federal, state, or county elections that meets or exceeds the requirements of the county elections chain of custody plan. Any plan adopted under this paragraph must be adopted and filed with the secretary of state at least 84 days before the first election in which it will be used.

(e) Each political subdivision clerk who develops a local elections chain of custody plan pursuant to paragraph (d) and each county auditor must review their respective elections chain of custody plan prior to each state primary election. Any revisions to the elections chain of custody plan must be completed and filed with the secretary of state by June 1 prior to the state primary election.

EFFECTIVE DATE. This section is effective the day following final enactment, and county auditors must file an elections chain of custody plan with the secretary of state by September 1, 2025.

Sec. 24. Minnesota Statutes 2024, section 204B.19, subdivision 5, is amended to read:

Subd. 5. **Party balance requirement.** No more than half of the election judges in a precinct, or at any location where ballots are being counted, recounted, or reviewed, may be members of the same major political party unless the election board consists of an odd number of election judges, in which case the number of election judges who are members of the same major political party may be one more than half the number of election judges in that precinct. Each major political party must be represented by at least one election judge in each precinct.

Sec. 25. Minnesota Statutes 2024, section 204B.24, is amended to read:

204B.24 ELECTION JUDGES; OATH.

Each election judge shall sign the following oath before assuming the duties of the office:

"I ..... solemnly swear (or affirm) that:

(1) I will perform the duties of election judge according to law and the best of my ability and will diligently endeavor to prevent fraud, deceit and abuse in conducting this election.

(2) I will perform my duties in a fair and impartial manner and not attempt to create an advantage for my party or for any candidate.

(3) In the performance of my duties as an election judge, I will not share information about voting that I know to be materially false and will not intentionally hinder, interfere with, or prevent a person from voting, registering to vote, or aiding another person in casting a ballot or registering to vote, except as specifically required by law."

The oath shall be attached to the summary statement of the election returns of that precinct. If there is no individual present who is authorized to administer oaths, the election judges may administer the oath to each other.

Sec. 26. Minnesota Statutes 2024, section 204B.25, subdivision 1, is amended to read:

Subdivision 1. **Duties of county auditor.** Each county auditor shall provide training for all election judges who are appointed to serve at any election to be held in the county. The county auditor shall also provide a procedure for emergency training of election judges elected to fill vacancies. The county auditor may delegate to a municipal election official the duty to provide training of election judges in that municipality or school district. The training must be consistent with the training programs established by the secretary of state under subdivision 2.

Sec. 27. Minnesota Statutes 2024, section 204B.44, is amended to read:

204B.44 ERRORS AND OMISSIONS; REMEDY.

(a) Any individual may file a petition in the manner provided in this section for the correction of any of the following errors, omissions, or wrongful acts which have occurred or are about to occur:

(1) an error or omission in the placement or printing of the name or description of any candidate or any question on any official ballot, including the placement of a candidate on the official ballot who is not eligible to hold the office for which the candidate has filed;

(2) any other error in preparing or printing any official ballot;

(3) failure of the chair or secretary of the proper committee of a major political party to execute or file a certificate of nomination;

(4) any wrongful act, omission, or error of any election judge, municipal clerk, county auditor, canvassing board or any of its members, the secretary of state, or any other individual charged with any duty concerning an election.

(b) The petition shall describe the error, omission, or wrongful act and the correction sought by the petitioner. The petition shall be filed with any judge of the supreme court in the case of an election for state or federal office or any judge of the district court in that county in the case of an election for county, municipal, or school district office. The petitioner shall serve a copy of the petition on the officer, board or individual charged with the error, omission, or wrongful act, on all candidates for the office in the case of an election for state, federal, county, municipal, or school district office, and on any other party as required by the court. Upon receipt of the petition the court shall immediately set a time for a hearing on the matter and order the officer, board or individual charged with the error, omission or wrongful act to correct the error or wrongful act or perform the duty or show cause for not doing so. In the case of a review of a candidate's eligibility to hold office, the court may order the candidate to appear and present sufficient evidence of the candidate's eligibility. The court shall issue its findings and a final order for appropriate relief as soon as possible after the hearing. Failure to obey the order is contempt of court.

(c) Any service required on a candidate may be accomplished by electronic mail sent to the address the candidate provided on the candidate's affidavit of candidacy pursuant to section 204B.06, subdivision 1b, or by any other means permitted by law.

(d) If the candidate for an office and the officer, board, or individual charged with the error, omission, or wrongful act unanimously agree in writing:

(1) that an error, omission, or wrongful act occurred; and

(2) on the appropriate correction for the error, omission, or wrongful act;

then the officer, board, or individual charged with the error, omission, or wrongful act must correct the error in the manner agreed to without an order from the court.

The officer, board, or individual must notify the secretary of state in writing of the error and proposed correction within one business day of receiving notification of the candidate's written agreement and must not distribute any ballots reflecting the proposed correction for two business days unless the secretary of state waives the notice period.

(e) Notwithstanding any other provision of this section, an official may correct any official ballot without order from the court if the ballot is not in compliance with sections 204B.35 to 204B.37 or any rules promulgated under sections 204B.35 to 204B.37.

Sec. 28. Minnesota Statutes 2024, section 204B.45, subdivision 2, is amended to read:

Subd. 2. **Procedure; voting prior to election day.** Notice of the election and the special mail procedure must be given at least ten weeks prior to the election. Not more than 46 days nor later than ~~14~~ 28 days before ~~a regularly scheduled~~ any election ~~and not more than 30 days nor later than 14 days before any other election~~, the auditor shall mail ballots by nonforwardable mail to all voters registered in the city, town, or unorganized territory. No later than 14 days before the election, the auditor 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 as provided in chapter 203B. Ballot return envelopes, with return postage provided, must be preaddressed to the auditor or clerk and the voter may return the ballot by mail or in person to the office of the auditor or clerk. 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 or deputy municipal 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 shall 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 members of the ballot board, and deposited in the 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 mail or absentee ballots may be made public before the close of voting on election day.

The costs of the mailing shall be paid by the election jurisdiction in which the voter maintains residence. Any ballot received by 8:00 p.m. on the day of the election must be counted.

Sec. 29. Minnesota Statutes 2024, section 204C.08, subdivision 1d, is amended to read:

Subd. 1d. **Voter's Bill of Rights.** The county auditor shall prepare and provide to each polling place sufficient copies of a poster setting forth the Voter's Bill of Rights as set forth in this section. Before the hours of voting are scheduled to begin, the election judges shall post it in a conspicuous location or locations in the polling place. The Voter's Bill of Rights is as follows:

"VOTER'S BILL OF RIGHTS

For all persons residing in this state who meet federal voting eligibility requirements:

(1) You have the right to be absent from work for the purpose of voting in a state, federal, or regularly scheduled election without reduction to your pay, personal leave, or vacation time on election day for the time necessary to appear at your polling place, cast a ballot, and return to work.

(2) If you are in line at your polling place any time before 8:00 p.m., you have the right to vote.

(3) If you can provide the required proof of residence, you have the right to register to vote and to vote on election day.

(4) If you are unable to sign your name, you have the right to orally confirm your identity with an election judge and to direct another person to sign your name for you.

(5) You have the right to request special assistance when voting.

(6) If you need assistance, you may be accompanied into the voting booth by a person of your choice, except by an agent of your employer or union ~~or a candidate~~.

(7) You have the right to bring your minor children into the polling place and into the voting booth with you.

(8) You have the right to vote if you are not currently incarcerated for conviction of a felony offense.

(9) If you are under a guardianship, you have the right to vote, unless the court order revokes your right to vote.

(10) You have the right to vote without anyone in the polling place trying to influence your vote.

(11) If you make a mistake or spoil your ballot before it is submitted, you have the right to receive a replacement ballot and vote.

(12) You have the right to file a written complaint at your polling place if you are dissatisfied with the way an election is being run.

(13) You have the right to take a sample ballot into the voting booth with you.

(14) You have the right to take a copy of this Voter's Bill of Rights into the voting booth with you."

Sec. 30. Minnesota Statutes 2024, section 204C.09, subdivision 1, is amended to read:

Subdivision 1. **Counting and initialing.** (a) Before the voting begins, at least two election judges must certify the number of ballots delivered to the precinct. Election judges may conduct this count, presuming that the total count provided for prepackaged ballots is correct. As each package is opened, two judges must count the ballots in the package to ensure that the total count provided for the package is correct. Any discrepancy must be noted on the incident log.

(b) Before the voting begins, or as soon as possible after it begins, at least two election judges shall each initial ~~the backs of~~ all the ballots. The election judges shall not otherwise mark the ballots.

Sec. 31. Minnesota Statutes 2024, section 204C.15, subdivision 1, is amended to read:

Subdivision 1. **Physical assistance in marking ballots.** A voter who claims a need for assistance because of inability to read English or physical inability to mark a ballot may obtain the aid of two election judges who are members of different major political parties at any location where ballots may be cast, including early and in-person absentee voting locations, and in a polling place on election day. The election judges shall mark the ballots as directed by the voter and in as secret a manner as circumstances permit. A voter in need of assistance may alternatively obtain the assistance of any individual the voter chooses. Only the following persons may not provide assistance to a voter: the voter's employer, an agent of the voter's employer, or an officer or agent of the voter's union. The person who assists the voter shall, unaccompanied by an election judge, retire with that voter to a booth and mark the ballot as directed by the voter. Before the ballots are deposited, the voter may show them privately to an election judge to ascertain that they are marked as the voter directed. An election judge or other individual assisting a voter shall not in any manner request, persuade, induce, or attempt to persuade or induce the voter to vote for any particular political party or candidate. The election judges or other individuals who assist the voter shall not reveal to anyone the name of any candidate for whom the voter has voted or anything that took place while assisting the voter.

Sec. 32. Minnesota Statutes 2024, section 204C.15, subdivision 2, is amended to read:

Subd. 2. **Outside the polling place.** An individual who is unable to enter any location where ballots may be cast, including early and in-person absentee voting locations, or a polling place where paper ballots or an electronic voting system are used may register and vote without leaving a motor vehicle. Two election judges who are members of different major political parties shall assist the voter to register and to complete a voter's certificate and shall provide the necessary ballots. The voter may request additional assistance in marking ballots as provided in subdivision 1.

Sec. 33. Minnesota Statutes 2024, section 204D.19, subdivision 1, is amended to read:

Subdivision 1. **Vacancy filled at general election.** When a vacancy occurs more than 150 days before the next state general election, and the legislature will not be in session before the final canvass of the state general election returns, the vacancy shall be filled at the next state general election. When practicable, the filing period for the vacancy must be concurrent with the filing period for the general election filing period provided in section 204B.09. If not possible, the filing period for the vacancy must be a minimum of five days and a maximum of ten days, excluding holidays.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to vacancies in legislative offices that occur on or after that date.

Sec. 34. Minnesota Statutes 2024, section 204D.19, subdivision 2, is amended to read:

Subd. 2. **Special election when legislature will be in session.** Except for vacancies in the legislature which occur at any time between the last day of session in an odd-numbered year and the ~~40th~~ 50th day prior to the opening day of session in the succeeding even-numbered year, when a vacancy occurs and the legislature will be in session so that the individual elected as provided by this section could take office and exercise the duties of the office immediately upon election, the governor shall issue within five days after the vacancy occurs a writ calling for a special election. The filing period for the vacancy must be a minimum of five days and a maximum of ten days, excluding holidays. The special election shall be held as soon as possible, consistent with the notice requirements of section 204D.22, subdivision 3, but in no event more than ~~35~~ 40 days after the issuance of the writ. A special election must not be held during the four days before or the four days after a holiday as defined in section 645.44, subdivision 5.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to vacancies in legislative offices that occur on or after that date.

Sec. 35. Minnesota Statutes 2024, section 204D.19, subdivision 3, is amended to read:

Subd. 3. **Special election at other times.** When a vacancy occurs at a time other than those described in subdivisions 1 and 2 the governor shall issue a writ, calling for a special election to be held so that the individual elected may take office at the opening of the next session of the legislature, or at the reconvening of a session of the legislature. The filing period for the vacancy must be a minimum of five days and a maximum of ten days, excluding holidays.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to vacancies in legislative offices that occur on or after that date.

Sec. 36. Minnesota Statutes 2024, section 205.13, subdivision 1a, is amended to read:

Subd. 1a. **Filing period.** In a city nominating candidates at a primary, an affidavit of candidacy for a city office voted on in November must be filed no more than 84 days nor less than 70 days before the city primary. In municipalities that do not hold a primary, an affidavit of candidacy must be filed no more than 70 days and not less than 56 days before the municipal general election held in March in any year, or a special election not held in conjunction with another election, and no more than ~~98~~ 112 days nor less than ~~84~~ 98 days before the municipal general election held in November of any year. The municipal clerk's office must be open for filing from 1:00 p.m. to 5:00 p.m. on the last day of the filing period.

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

Sec. 37. Minnesota Statutes 2024, section 206.845, subdivision 1, is amended to read:

Subdivision 1. **Prohibited connections.** The county auditor and municipal clerk must secure ballot recording and tabulating systems physically and electronically against unauthorized access. Except for wired connections within the polling place, ballot recording and tabulating systems must not be connected to or operated on, directly or indirectly, any electronic network, including a local area network, a wide-area network, the Internet, or the World Wide Web. Wireless communications may not be used in any way in a vote recording or vote tabulating system. Wireless, device-to-device capability is not permitted. No connection by modem is permitted.

Transfer of information from the ballot recording or tabulating system to another system for network distribution or broadcast must be made by disk, tape, or other physical means of communication, other than direct or indirect electronic connection of the vote recording or vote tabulating system. A county auditor or municipal clerk may not

create or disclose, or permit any other person to create or disclose, an electronic image of the hard drive of any vote recording or tabulating system or any other component of an electronic voting system, except as authorized in writing by the secretary of state or for the purpose of conducting official duties as expressly authorized by law. A password used to access any ballot recording or tabulating system must be kept in a safe and secure place in the precinct so that it is not accessible to or visible by the public.

Sec. 38. Minnesota Statutes 2024, 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 and office sought;

(2) the printed name, address, telephone number, signature, and email address~~, if available,~~ or an attestation that the candidate and the candidate's campaign do not possess an email address, 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 received and the total amount of disbursements for the period from the last previous report to five days before the current report is due;

(5) 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 entity that during the 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, 2026.

Sec. 39. Minnesota Statutes 2024, section 375.20, is amended to read:

375.20 BALLOT QUESTIONS.

If the county board may do an act, incur a debt, appropriate money for a purpose, or exercise any other power or authority, only if authorized by a vote of the people, the question may be submitted at a special or general election, by a resolution specifying the matter or question to be voted upon. If the question is to authorize the appropriation of money, creation of a debt, or levy of a tax, it shall state the amount. Notice of the election shall be given as in the case of special elections. If the question submitted is adopted, the board shall pass an appropriate resolution to carry it into effect. In the election the form of the ballot shall be: "Shall (here state the substance of the resolution to be submitted)?, Yes ..... No .....,". The county board may call a special county election upon a question to be held within ~~74~~ 84 days after a resolution to that effect is adopted by the county board. Upon the adoption of the resolution the county auditor shall post and publish notices of the election, as required by section 204D.22, subdivisions 2 and 3. The election shall be conducted and the returns canvassed in the manner prescribed by sections 204D.20 to 204D.27, so far as practicable.

Sec. 40. Minnesota Statutes 2024, section 383B.041, subdivision 5, is amended to read:

Subd. 5. **Economic interest disclosure; Special School District No. 1.** Every candidate for school board in Special School District No. 1, Minneapolis, must file an original statement of economic interest with the school district within 14 days ~~of the filing of an affidavit or petition to appear on the ballot~~ after the candidate filing period ends. An elected official in Special School District No. 1, Minneapolis, must file the annual statement required in section 10A.09, subdivision 6, with the school district for every year that the individual serves in office. An original and annual statement must contain the information listed in section 10A.09, subdivision 5. The provisions of section 10A.09, subdivisions 6a, 7, and 9, apply to statements required under this subdivision.

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

Sec. 41. Minnesota Statutes 2024, section 414.09, subdivision 3, is amended to read:

Subd. 3. **Elections of municipal officers.** (a) An order approving an incorporation or consolidation pursuant to this chapter, or an order requiring an election under section 414.031, subdivision 4a, shall set a date for an election of new municipal officers ~~not less than 45 days nor more than 60 days after the issuance of such order~~ in accordance with the uniform election dates defined in section 205.10, subdivision 3a.

(b) The chief administrative law judge shall appoint an acting clerk for election purposes, at least three election judges who shall be residents of the new municipality, and shall designate polling places within the new municipality.

(c) The acting clerk shall prepare the official election ballot pursuant to section 205.17.

(d) Any person eligible to hold municipal office may file an affidavit of candidacy ~~not more than four weeks nor less than two weeks before the date designated in the order for the election~~ pursuant to section 205.13.

(e) The election shall be conducted in conformity with the charter and the laws for conducting municipal elections insofar as applicable.

(f) Any person eligible to vote at a township or municipal election within the area of the new municipality, is eligible to vote at such election.

(g) Any excess in the expense of conducting the election over receipts from filing fees shall be a charge against the new municipality; any excess of receipts shall be deposited in the treasury of the new municipality.

Sec. 42. **REPEALER.**

Minnesota Statutes 2024, section 204B.25, subdivision 3, is repealed."

Delete the title and insert:

"A bill for an act relating to elections; providing for policy and technical changes to elections administration and campaign finance provisions; amending Minnesota Statutes 2024, sections 10A.09, subdivision 1; 200.031; 201.061, subdivisions 3, 3a; 201.071, subdivision 1; 203B.04, subdivision 1; 203B.05, subdivision 1; 203B.08, subdivisions 1, 3; 203B.081, subdivision 4; 203B.12, subdivision 10; 203B.121, subdivisions 4, 5; 203B.29, subdivisions 1, 2; 203B.30, subdivision 3; 204B.06, subdivision 1b; 204B.09, subdivisions 1a, 2; 204B.14, subdivision 2; 204B.16, subdivisions 1a, 4; 204B.19, subdivision 5; 204B.24; 204B.25, subdivision 1; 204B.44; 204B.45, subdivision 2; 204C.08, subdivision 1d; 204C.09, subdivision 1; 204C.15, subdivisions 1, 2; 204D.19, subdivisions 1, 2, 3; 205.13,

subdivision 1a; 206.845, subdivision 1; 211A.02, subdivision 2; 375.20; 383B.041, subdivision 5; 414.09, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 204B; repealing Minnesota Statutes 2024, section 204B.25, subdivision 3."

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

The report was adopted.

Her and O'Driscoll from the Committee on Commerce Finance and Policy to which was referred:

H. F. No. 1615, A bill for an act relating to cannabis; modifying the limits of delta-9 tetrahydrocannabinol in edible cannabinoid products and lower-potency hemp edibles when intended to be consumed as beverages; amending Minnesota Statutes 2024, sections 151.72, subdivision 5a; 342.01, subdivision 50; 342.46, subdivision 6.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
MEDICAL CANNABIS

Section 1. Minnesota Statutes 2024, section 152.22, subdivision 4, is amended to read:

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

Sec. 2. Minnesota Statutes 2024, section 152.22, subdivision 7, is amended to read:

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

Sec. 3. Minnesota Statutes 2024, section 152.22, subdivision 10, is amended to read:

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

Sec. 4. Minnesota Statutes 2024, section 152.22, subdivision 13, is amended to read:

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

Sec. 5. Minnesota Statutes 2024, section 152.24, is amended to read:

152.24 FEDERALLY APPROVED CLINICAL TRIALS.

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

Sec. 6. Minnesota Statutes 2024, section 152.25, is amended to read:

152.25 ~~COMMISSIONER~~ OFFICE DUTIES.

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

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

(1) begin supplying medical cannabis to patients by July 1, 2015; and

(2) comply with all requirements under sections 152.22 to 152.37.

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

(1) the technical expertise of the manufacturer in cultivating medical cannabis and converting the medical cannabis into an acceptable delivery method under section 152.22, subdivision 6;

(2) the qualifications of the manufacturer's employees;

(3) the long-term financial stability of the manufacturer;

(4) the ability to provide appropriate security measures on the premises of the manufacturer;

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

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

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

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

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

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

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

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

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

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

Subd. 1c. **Notice to patients.** Upon the revocation or nonrenewal of a manufacturer's registration under subdivision 1a or implementation of an enforcement action under subdivision 1b that may affect the ability of a registered patient, registered designated caregiver, or a registered patient's parent, legal guardian, or spouse to obtain medical cannabis from the manufacturer subject to the enforcement action, the ~~commissioner~~ office shall notify in writing each registered patient and the patient's registered designated caregiver or registered patient's parent, legal guardian, or spouse about the outcome of the proceeding and information regarding alternative registered manufacturers. This notice must be provided two or more business days prior to the effective date of the revocation, nonrenewal, or other enforcement action.

Subd. 2. **Range of compounds and dosages; report.** The office shall review and publicly report the existing medical and scientific literature regarding the range of recommended dosages for each qualifying condition and the range of chemical compositions of any plant of the genus cannabis that will likely be medically beneficial for each of the qualifying medical conditions. The office shall make this information available to patients with qualifying medical conditions beginning December 1, 2014, and update the information every three years. The office may consult with the independent laboratory under contract with the manufacturer or other experts in reporting the range of recommended dosages for each qualifying medical condition, the range of chemical compositions that will likely

be medically beneficial, and any risks of noncannabis drug interactions. The office shall consult with each manufacturer on an annual basis on medical cannabis offered by the manufacturer. The list of medical cannabis offered by a manufacturer shall be published on the Office of Cannabis Management website.

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

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

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

Sec. 7. Minnesota Statutes 2024, section 152.26, is amended to read:

152.26 RULEMAKING.

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

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

Sec. 8. Minnesota Statutes 2024, section 152.261, is amended to read:

152.261 RULES; ADVERSE INCIDENTS.

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

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

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

Sec. 9. Minnesota Statutes 2024, section 152.27, subdivision 2, is amended to read:

Subd. 2. **Office duties.** (a) The office shall:

(1) give notice of the program to health care practitioners in the state ~~who are eligible to serve as health care practitioners and explain the purposes and requirements of the program~~;

(2) allow each health care practitioner who meets or agrees to meet the program's requirements and who requests to participate, to be included in the registry program ~~to collect data for the patient registry~~;

(3) provide explanatory information and assistance to each health care practitioner in understanding the nature of therapeutic use of medical cannabis within program requirements;

(4) create and provide a certification to be used by a health care practitioner for the practitioner to certify whether a patient has been diagnosed with a qualifying medical condition;

(5) supervise the participation of the health care practitioner in conducting patient treatment and health records reporting in a manner that ensures stringent security and record-keeping requirements and that prevents the unauthorized release of private data on individuals as defined by section 13.02;

(6) develop safety criteria for patients with a qualifying medical condition as a requirement of the patient's participation in the program, to prevent the patient from undertaking any task under the influence of medical cannabis that would constitute negligence or professional malpractice on the part of the patient; and

(7) conduct research and studies based on data from health records submitted to the registry program and submit reports on intermediate or final research results to the legislature and major scientific journals. The office may contract with a third party to complete the requirements of this clause. Any reports submitted must comply with section 152.28, subdivision 2.

(b) The office may add a delivery method under section 152.22, subdivision 6, upon a petition from a member of the public or the Cannabis Advisory Council under section 342.03 or as directed by law. If the office wishes to add a delivery method under section 152.22, subdivision 6, the office must notify the chairs and ranking minority members of the legislative policy committees having jurisdiction over health and public safety of the addition and the reasons for its addition, including any written comments received by the office from the public and any guidance received from the Cannabis Advisory Council under section 342.03, by January 15 of the year in which the office wishes to make the change. The change shall be effective on August 1 of that year, unless the legislature by law provides otherwise.

Sec. 10. Minnesota Statutes 2024, section 152.27, subdivision 7, is amended to read:

Subd. 7. **Notice requirements.** Patients and registered designated caregivers shall notify the ~~commissioner~~ office of any address or name change within 30 days of the change having occurred. A patient or registered designated caregiver is subject to a $100 fine for failure to notify the ~~commissioner~~ office of the change.

Sec. 11. Minnesota Statutes 2024, section 152.28, subdivision 1, is amended to read:

Subdivision 1. **Health care practitioner duties.** (a) Prior to a patient's enrollment in the registry program, a health care practitioner shall:

(1) determine, in the health care practitioner's medical judgment, whether a patient suffers from a qualifying medical condition, and, if so determined, provide the patient with a certification of that diagnosis;

(2) advise patients, registered designated caregivers, and parents, legal guardians, or spouses who are acting as caregivers of the existence of any nonprofit patient support groups or organizations;

(3) provide explanatory information from the office to patients with qualifying medical conditions, including disclosure to all patients about the experimental nature of therapeutic use of medical cannabis; the possible risks, benefits, and side effects of the proposed treatment; the application and other materials from the office; and provide patients with the Tennessen warning as required by section 13.04, subdivision 2; and

(4) agree to continue treatment of the patient's qualifying medical condition and report medical findings to the office.

(b) Upon notification from the office of the patient's enrollment in the registry program, the health care practitioner shall:

(1) participate in the patient registry reporting system under the guidance and supervision of the office;

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

(3) determine, every three years, if the patient continues to suffer from a qualifying medical condition and, if so, issue the patient a new certification of that diagnosis; and

(4) otherwise comply with all requirements developed by the office.

(c) A health care practitioner may utilize telehealth, as defined in section 62A.673, subdivision 2, for certifications and recertifications.

(d) Nothing in this section requires a health care practitioner to participate in the registry program.

Sec. 12. Minnesota Statutes 2024, section 152.28, subdivision 3, is amended to read:

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

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

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

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

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

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

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

Sec. 13. Minnesota Statutes 2024, section 152.29, subdivision 1, is amended to read:

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

(b) A manufacturer may acquire hemp grown in this state from a hemp grower, and may acquire hemp products produced by a hemp processor. A manufacturer may manufacture or process hemp and hemp products into an allowable form of medical cannabis under section 152.22, subdivision 6. Hemp and hemp products acquired by a manufacturer under this paragraph are subject to the same quality control program, security and testing requirements, and other requirements that apply to medical cannabis under sections 152.22 to 152.37 and Minnesota Rules, chapter 4770.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) business operations;

(2) physical locations of the manufacturer's manufacturing facility and distribution facilities;

(3) financial information and inventory documentation, including laboratory testing results; and

(4) physical and electronic security alarm systems.

Sec. 14. Minnesota Statutes 2024, section 152.29, subdivision 2, is amended to read:

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

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

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

Sec. 15. Minnesota Statutes 2024, section 152.29, subdivision 3a, is amended to read:

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

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

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

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

Sec. 16. Minnesota Statutes 2024, section 152.29, subdivision 4, is amended to read:

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

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

(2) the chemical composition of the medical cannabis; and

(3) the tracking number assigned to any medical cannabis distributed.

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

(1) the name of the Tribal medical cannabis program in which the Tribal medical cannabis program patient is enrolled;

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

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

(4) the tracking number assigned to the medical cannabis distributed.

Sec. 17. Minnesota Statutes 2024, section 152.31, is amended to read:

152.31 DATA PRACTICES.

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

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

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

Sec. 18. Minnesota Statutes 2024, section 152.32, subdivision 2, is amended to read:

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

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

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

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

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

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

(d) Notwithstanding any law to the contrary, the ~~commissioner~~ office, the governor of Minnesota, or an employee of any state agency may not be held civilly or criminally liable for any injury, loss of property, personal injury, or death caused by any act or omission while acting within the scope of office or employment under sections 152.22 to 152.37.

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

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

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

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

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

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

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

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

Sec. 19. Minnesota Statutes 2024, section 152.33, subdivision 1a, is amended to read:

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

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

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

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

Sec. 20. Minnesota Statutes 2024, section 152.33, subdivision 4, is amended to read:

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

Sec. 21. Minnesota Statutes 2024, section 152.35, is amended to read:

152.35 FEES; DEPOSIT OF REVENUE.

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

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

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

Sec. 22. Minnesota Statutes 2024, section 152.37, is amended to read:

152.37 FINANCIAL EXAMINATIONS; PRICING REVIEWS.

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

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

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

(b) An examination may cover the medical cannabis manufacturer's business affairs, practices, and conditions including but not limited to a review of the financing, budgets, revenues, sales, and pricing. The ~~commissioner~~ office shall determine the nature and scope of each examination and in doing so shall take into account all available relevant factors concerning the financial and business affairs, practices, and conditions of the examinee. The costs incurred by the department in conducting an examination shall be paid for by the medical cannabis manufacturer.

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

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

Sec. 23. Minnesota Statutes 2024, section 342.01, is amended by adding a subdivision to read:

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

Sec. 24. Minnesota Statutes 2024, section 342.01, is amended by adding a subdivision to read:

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

Sec. 25. Minnesota Statutes 2024, section 342.01, is amended by adding a subdivision to read:

Subd. 69d. **Tribal medical cannabis program.** "Tribal medical cannabis program" means a program established by a federally recognized Tribal government within the boundaries of Minnesota that involves the commercial production, processing, sale or distribution, and possession of medical cannabis and medical cannabis products.

Sec. 26. Minnesota Statutes 2024, section 342.01, is amended by adding a subdivision to read:

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

Sec. 27. Minnesota Statutes 2024, section 342.01, subdivision 71, is amended to read:

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

Sec. 28. Minnesota Statutes 2024, section 342.02, subdivision 3, is amended to read:

Subd. 3. **Medical cannabis program.** (a) The powers and duties of the Department of Health with respect to the medical cannabis program under Minnesota Statutes 2022, sections 152.22 to 152.37, are transferred to the Office of Cannabis Management under section 15.039.

(b) The following protections shall apply to employees who are transferred from the Department of Health to the Office of Cannabis Management:

(1) the employment status and job classification of a transferred employee shall not be altered as a result of the transfer;

(2) transferred employees who were represented by an exclusive representative prior to the transfer shall continue to be represented by the same exclusive representative after the transfer;

(3) the applicable collective bargaining agreements with exclusive representatives shall continue in full force and effect for such transferred employees after the transfer;

(4) the state must meet and negotiate with the exclusive representatives of the transferred employees about any proposed changes affecting or relating to the transferred employees' terms and conditions of employment to the extent such changes are not addressed in the applicable collective bargaining agreement; and

(5) for an employee in a temporary unclassified position transferred to the Office of Cannabis Management, the total length of time that the employee has served in the appointment shall include all time served in the appointment and the transferring agency and the time served in the appointment at the Office of Cannabis Management. An employee in a temporary unclassified position who was hired by a transferring agency through an open competitive selection process in accordance with a policy enacted by Minnesota Management and Budget shall be considered to have been hired through such process after the transfer.

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

Sec. 29. Minnesota Statutes 2024, section 342.09, subdivision 2, is amended to read:

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

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

Sec. 30. Minnesota Statutes 2024, section 342.51, subdivision 2, is amended to read:

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

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

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

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

(4) apply a patient-specific label on the medical cannabis flower or medical cannabinoid product that includes recommended dosage requirements and other information as required by the office; and

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

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

Sec. 31. Minnesota Statutes 2024, section 342.51, is amended by adding a subdivision to read:

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

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

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

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

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

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

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

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

(1) the name of the visiting patient;

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 32. Minnesota Statutes 2024, section 342.515, subdivision 1, is amended to read:

Subdivision 1. **Authorized actions.** (a) A person, cooperative, or business holding a medical cannabis combination business license is prohibited from owning or operating any other cannabis business or hemp business or holding an active registration agreement under section 152.25, subdivision 1.

(b) A person or business may hold only one medical cannabis combination business license.

(c) A medical cannabis combination business license entitles the license holder to perform any or all of the following within the limits established by this section:

(1) grow cannabis plants from seed or immature plant to mature plant and harvest adult-use cannabis flower and medical cannabis flower from a mature plant;

(2) make cannabis concentrate;

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

(4) manufacture artificially derived cannabinoids;

(5) manufacture medical cannabinoid products;

(6) manufacture adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for public consumption;

(7) purchase immature cannabis plants and seedlings and cannabis flower from a cannabis microbusiness, a cannabis mezzobusiness, a cannabis manufacturer, a cannabis wholesaler, or another medical cannabis combination business;

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

(9) purchase cannabis concentrate, hemp concentrate, and artificially derived cannabinoids from a cannabis microbusiness, a cannabis mezzobusiness, a cannabis manufacturer, a cannabis wholesaler, or another medical cannabis combination business;

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

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

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

(13) sell medical cannabis flower and medical cannabinoid products to other cannabis businesses with a medical endorsement, other medical cannabis combination businesses, and patients enrolled in the registry program, registered designated caregivers, and parents, legal guardians, and spouses of an enrolled patient;

(14) sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer products, and other products authorized by law to other cannabis businesses and to customers; and

(15) perform other actions approved by the office.

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

Sec. 33. Minnesota Statutes 2024, section 342.515, subdivision 5, is amended to read:

Subd. 5. **Failure to participate; suspension or revocation of license.** (a) A medical cannabis combination business must provide a reliable, ongoing supply of medical cannabinoid products to the registry program. Providing a reliable, ongoing supply includes but is not limited to:

(1) making the three most commonly purchased medical cannabinoid products available for wholesale; and

(2) if there is a shortage of medical cannabis flower or medical cannabinoid products, maintaining a stock of the three most commonly purchased medical cannabinoid products at the retail location of the medical cannabis combination business.

(b) The requirements under paragraph (a), clauses (1) and (2), do not apply to medical cannabis flower.

(c) A medical cannabis combination business must prioritize serving medical patients and caregivers before serving adult-use consumers.

(d) The office may suspend or revoke A medical cannabis combination business license if the office determines that the business is no longer actively participating in the medical cannabis market. The office may, by rule, establish minimum requirements related to cannabis cultivation, manufacturing of medical cannabinoid products, retail sales of medical cannabis flower and medical cannabinoid products, and other relevant criteria to demonstrate active participation in the medical cannabis market.

Sec. 34. Minnesota Statutes 2024, section 342.52, is amended by adding a subdivision to read:

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

Sec. 35. Minnesota Statutes 2024, section 342.52, subdivision 9, is amended to read:

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

(b) In order to serve as a designated caregiver, a person must:

(1) be at least 18 years of age;

(2) agree to only possess the patient's medical cannabis flower and medical cannabinoid products for purposes of assisting the patient; and

(3) agree that if the application is approved, the person will not serve as a registered designated caregiver for more than six registered patients at one time. Patients who reside in the same residence count as one patient.

(c) Nothing in this section shall be construed to prevent a registered designated caregiver from being enrolled in the registry program as a patient and possessing and administering medical cannabis flower or medical cannabinoid products as a patient.

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

Sec. 36. Minnesota Statutes 2024, section 342.57, is amended to read:

342.57 PROTECTIONS FOR REGISTRY PROGRAM PARTICIPANTS.

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

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

(1) the use or possession of medical cannabis flower or medical cannabinoid products by a patient or other person enrolled in the registry program was not for the purpose of assisting with, treating, or alleviating the patient's qualifying medical condition or symptoms associated with the patient's qualifying medical condition~~.~~; or

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

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

(1) use or possession of medical cannabis flower, medical cannabinoid products, or medical cannabis paraphernalia by a patient enrolled in the registry program ~~or by,~~ a visiting patient, or a Tribal medical cannabis program patient to whom medical cannabis flower or medical cannabinoid products are distributed under section 342.51, subdivision 5;

(2) possession of medical cannabis flower, medical cannabinoid products, or medical cannabis paraphernalia by a registered designated caregiver or a parent, legal guardian, or spouse of a patient enrolled in the registry program; or

(3) possession of medical cannabis flower, medical cannabinoid products, or medical cannabis paraphernalia by any person while carrying out duties required under sections 342.51 to 342.60.

(b) The Office of Cannabis Management, members of the Cannabis Advisory Council, Office of Cannabis Management employees, agents or contractors of the Office of Cannabis Management, members of a Tribal medical cannabis board, a Tribal medical cannabis board's staff, a Tribal medical cannabis board's agents or contractors, and health care practitioners participating in the registry program are not subject to any civil penalties or disciplinary action by the Board of Medical Practice, the Board of Nursing, or any business, occupational, or professional licensing board or entity solely for participating in the registry program or a Tribal medical cannabis program either in a professional capacity or as a patient. A pharmacist licensed under chapter 151 is not subject to any civil penalties or disciplinary action by the Board of Pharmacy when acting in accordance with sections 342.51 to 342.60 either in a professional capacity or as a patient. Nothing in this section prohibits a professional licensing board from taking action in response to a violation of law.

(c) Notwithstanding any law to the contrary, a Cannabis Advisory Council member, the governor, or an employee of a state agency must not be held civilly or criminally liable for any injury, loss of property, personal injury, or death caused by any act or omission while acting within the scope of office or employment under sections 342.51 to 342.60.

(d) Federal, state, and local law enforcement authorities are prohibited from accessing the registry except when acting pursuant to a valid search warrant. Notwithstanding section 13.09, a violation of this paragraph is a gross misdemeanor.

(e) Notwithstanding any law to the contrary, the office and employees of the office must not release data or information about an individual contained in any report or document or in the registry and must not release data or information obtained about a patient enrolled in the registry program, except as provided in sections 342.51 to 342.60. Notwithstanding section 13.09, a violation of this paragraph is a gross misdemeanor.

(f) No information contained in a report or document, contained in the registry, or obtained from a patient under sections 342.51 to 342.60 or from a Tribal medical cannabis program patient may be admitted as evidence in a criminal proceeding, unless:

(1) the information is independently obtained; or

(2) admission of the information is sought in a criminal proceeding involving a criminal violation of sections 342.51 to 342.60.

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

(1) does not constitute probable cause or reasonable suspicion;

(2) must not be used to support a search of the person or property of the person with a registry verification or application to enroll in the registry program; and

(3) must not subject the person or the property of the person to inspection by any government agency.

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

(1) the patient is enrolled in the registry program; or

(2) the patient has a positive test for cannabis components or metabolites.

Subd. 3. **School enrollment; rental property.** (a) No school may refuse to enroll or otherwise penalize a patient or person enrolled in the registry program as a pupil solely because the patient or person is enrolled in the registry program or a Tribal medical cannabis program, unless failing to do so would violate federal law or regulations or cause the school to lose a monetary or licensing-related benefit under federal law or regulations.

(b) No landlord may refuse to lease to a patient or person enrolled in the registry program or otherwise penalize a patient or person enrolled in the registry program solely because the patient or person is enrolled in the registry program or a Tribal medical cannabis program, unless failing to do so would violate federal law or regulations or cause the landlord to lose a monetary or licensing-related benefit under federal law or regulations.

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

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

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

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

Subd. 4. **Medical care.** For purposes of medical care, including organ transplants, a patient's use of medical cannabis flower or medical cannabinoid products according to sections 342.51 to 342.60, or a Tribal medical cannabis program patient's use of medical cannabis as authorized by the Tribal medical cannabis program, is considered the equivalent of the authorized use of a medication used at the discretion of a health care practitioner and does not disqualify a patient from needed medical care.

Subd. 5. **Employment.** (a) Unless a failure to do so would violate federal or state law or regulations or cause an employer to lose a monetary or licensing-related benefit under federal law or regulations, an employer may not discriminate against a person in hiring, termination, or any term or condition of employment, or otherwise penalize a person, if the discrimination is based on:

(1) the person's status as ~~a patient or person~~ an individual enrolled in the registry program; ~~or~~

(2) the person's status as a Tribal medical cannabis program patient; or

~~(2)~~ (3) a patient's positive drug test for cannabis components or metabolites, unless the patient used, possessed, sold, transported, or was impaired by medical cannabis flower or a medical cannabinoid product on work premises, during working hours, or while operating an employer's machinery, vehicle, or equipment.

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

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

Subd. 6. **Custody; visitation; parenting time.** A person must not be denied custody of a minor child or visitation rights or parenting time with a minor child based solely on the person's status as ~~a patient or person~~ an individual enrolled in the registry program or on the person's status as a Tribal medical cannabis program patient. There must be no presumption of neglect or child endangerment for conduct allowed under sections 342.51 to 342.60 or under a Tribal medical cannabis program, unless the person's behavior creates an unreasonable danger to the safety of the minor as established by clear and convincing evidence.

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

Subd. 7. **Action for damages; injunctive relief.** In addition to any other remedy provided by law, ~~a patient or person~~ an individual enrolled in the registry program or a Tribal medical cannabis program may bring an action for damages against any person who violates subdivision 3, 4, or 5. A person who violates subdivision 3, 4, or 5 is liable to ~~a patient or person~~ an individual enrolled in the registry program or a Tribal medical cannabis program injured by the violation for the greater of the person's actual damages or a civil penalty of ~~$100~~ $1,000 and reasonable attorney fees. A patient may bring an action for injunctive relief to prevent or end a violation of subdivisions 3 to 6a.

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

(b) The commissioner of corrections may not:

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

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

(i) for participating in the registry program or a Tribal medical cannabis program; or

(ii) for a positive drug test for cannabis components or metabolites.

Sec. 37. Minnesota Statutes 2024, section 342.59, subdivision 2, is amended to read:

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

Sec. 38. **REPEALER.**

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

ARTICLE 2
CANNABIS BUSINESS LICENSING AND OPERATIONS

Section 1. Minnesota Statutes 2024, section 342.12, is amended to read:

342.12 LICENSES; TRANSFERS; ADJUSTMENTS.

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

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

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

(d) A new license must be obtained when:

(1) the form of the licensee's legal business structure converts or changes to a different type of legal business structure; or

(2) the licensee dissolves; consolidates; reorganizes; undergoes bankruptcy, insolvency, or receivership proceedings; merges with another legal organization; or assigns all or substantially all of its assets for the benefit of creditors.

(e) Licenses must be renewed annually.

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

(g) The office by rule may permit the relocation of a licensed cannabis business; permit the relocation of an approved operational location, including a cultivation, manufacturing, processing, or retail location; adopt requirements for the submission of a license relocation application; establish standards for the approval of a relocation application; and charge a fee not to exceed $250 for reviewing and processing applications. Relocation of a licensed premises pursuant to this paragraph does not extend or otherwise modify the license term of the license subject to relocation.

Sec. 2. Minnesota Statutes 2024, section 342.14, subdivision 1, is amended to read:

Subdivision 1. **Application; contents.** (a) The office shall establish procedures for the processing of cannabis licenses issued under this chapter. At a minimum, any application to obtain or renew a cannabis license shall include the following information, if applicable:

(1) the name, address, and date of birth of the applicant;

(2) the disclosure of ownership and control required under paragraph (b);

(3) the disclosure of whether the applicant or, if the applicant is a business, any officer, director, manager, and general partner of the business has ever filed for bankruptcy;

(4) the address and legal property description of the business, if applicable, except an applicant is not required to secure a physical premises for the business at the time of application;

(5) a general description of the location or locations that the applicant plans to operate, including the planned square feet of space for cultivation, wholesaling, and retailing, as applicable;

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

(7) proof of trade name registration;

(8) a copy of the applicant's business plan showing the expected size of the business; anticipated growth; the methods of record keeping; the knowledge and experience of the applicant and any officer, director, manager, and general partner of the business; the environmental plan; and other relevant financial and operational components;

(9) standard operating procedures for:

(i) quality assurance;

(ii) inventory control, storage, and diversion prevention; and

(iii) accounting and tax compliance;

(10) an attestation signed by a bona fide labor organization stating that the applicant has entered into a labor peace agreement;

(11) a description of any training and education that the applicant will provide to employees of the business;

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

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

(14) identification of one or more controlling persons or managerial employees as agents who shall be responsible for dealing with the office on all matters;

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

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

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

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

(b) An applicant must file and update as necessary a disclosure of ownership and control identifying any true party of interest as defined in section 342.185, subdivision 1, paragraph (g). The office shall establish the contents of the disclosure. Except as provided in paragraph ~~(f)~~ (d), the disclosure shall, at a minimum, include the following:

(1) the management structure, ownership, and control of the applicant or license holder, including the name of each cooperative member, officer, director, manager, general partner, or business entity; the office or position held by each person; each person's percentage ownership interest, if any; and, if the business has a parent company, the name of each owner, board member, and officer of the parent company and the owner's, board member's, or officer's percentage ownership interest in the parent company and the cannabis business;

(2) a statement from the applicant and, if the applicant is a business, from every officer, director, manager, and general partner of the business, indicating whether that person has previously held, or currently holds, an ownership interest in a cannabis business in Minnesota, any other state or territory of the United States, or any other country;

(3) if the applicant is a corporation, copies of the applicant's articles of incorporation and bylaws and any amendments to the applicant's articles of incorporation or bylaws;

(4) copies of any partnership agreement, operating agreement, or shareholder agreement;

(5) copies of any promissory notes, security instruments, or other similar agreements;

(6) an explanation detailing the funding sources used to finance the business;

(7) a list of operating and investment accounts for the business, including any applicable financial institution and account number; and

(8) a list of each outstanding loan and financial obligation obtained for use in the business, including the loan amount, loan terms, and name and address of the creditor.

~~(c) An application may include:~~

~~(1) proof that the applicant is a social equity applicant;~~

~~(2) a description of the training and education that will be provided to any employee; or~~

~~(3) a copy of business policies governing operations to ensure compliance with this chapter.~~

~~(d)~~ (c) Commitments made by an applicant in its application, including but not limited to the maintenance of a labor peace agreement, shall be an ongoing material condition of maintaining and renewing the license.

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

~~(f)~~ (d) The office may establish exceptions to the disclosures required under paragraph (b) for members of a cooperative who hold less than a five percent ownership interest in the cooperative.

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

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

(b) The office may deny an application if:

(1) the application is incomplete;

(2) the application contains a materially false statement about the applicant or omits information required under subdivision 1;

(3) the applicant does not meet the qualifications under section 342.16;

(4) the applicant is prohibited from holding the license under section 342.18, subdivision 2;

(5) the application does not meet the minimum requirements under section 342.18, subdivision 3;

(6) the applicant fails to pay the applicable application fee;

(7) the application was not submitted by the application deadline;

(8) the applicant submitted more than one application for a license type; or

(9) the office determines that the applicant would be prohibited from holding a license for any other reason.

(c) If the office denies an application, the office must notify the applicant of the denial and the basis for the denial.

(d) The office may request additional information from any applicant if the office determines that the information is necessary to review or process the application. If the applicant does not provide the additional requested information within 14 calendar days of the office's request for information, the office may deny the application.

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

Sec. 4. Minnesota Statutes 2024, section 342.14, subdivision 6, is amended to read:

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

(1) the address and legal property description of the location where the business will operate;

(2) the name of the local unit of government where the business will be located; and

(3) if applicable, an updated description of the location where the business will operate, an updated security plan, and any other additional information required by the office.

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

(1) forward a copy of the application to the local unit of government in which the business operates or intends to operate with a form for certification as to whether a proposed cannabis business complies with local zoning ordinances and, if applicable, whether the proposed business complies with the state fire code and building code;

(2) schedule a site inspection; and

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

(c) The office may deny final authorization if:

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

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

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

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

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

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

Sec. 5. Minnesota Statutes 2024, section 342.151, subdivision 2, is amended to read:

Subd. 2. **Criminal history check.** A ~~license holder~~ cannabis business may employ or contract with as many unlicensed individuals as may be necessary, provided that the ~~license holder~~ cannabis business is at all times accountable for the good conduct of every individual employed by or contracted with the ~~license holder~~ cannabis business. Before hiring an individual as a cannabis worker, the ~~license holder~~ cannabis business must submit to the Bureau of Criminal Apprehension the individual's full set of fingerprints and written consent for the bureau to conduct a state and national criminal history check. The bureau may exchange an individual's fingerprints with the Federal Bureau of Investigation. The Bureau of Criminal Apprehension must determine whether the individual is qualified to be employed as a cannabis worker and must notify the ~~license holder~~ cannabis business of the bureau's determination. The ~~license holder~~ cannabis business must not employ an individual who is disqualified from being employed as a cannabis worker.

Sec. 6. Minnesota Statutes 2024, section 342.151, subdivision 3, is amended to read:

Subd. 3. **Disqualification.** (a) A ~~license holder~~ cannabis business must not employ an individual as a cannabis worker if the individual has been convicted of any of the following crimes that would constitute a felony:

(1) human trafficking;

(2) noncannabis controlled substance crimes in the first or second degree;

(3) labor trafficking;

(4) fraud;

(5) embezzlement;

(6) extortion;

(7) money laundering; or

(8) insider trading;

if committed in this state or any other jurisdiction for which a full pardon or similar relief has not been granted.

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

Sec. 7. Minnesota Statutes 2024, section 342.17, is amended to read:

342.17 SOCIAL EQUITY APPLICANTS.

(a) An applicant qualifies as a social equity applicant if the applicant:

(1) was found delinquent for, received a stay of adjudication for, or was convicted of an offense involving the possession or sale of cannabis or marijuana prior to May 1, 2023;

(2) had a parent, guardian, child, spouse, or dependent who was convicted of an offense involving the possession or sale of cannabis or marijuana prior to May 1, 2023;

(3) was a dependent of an individual who was convicted of an offense involving the possession or sale of cannabis or marijuana prior to May 1, 2023;

(4) is a military veteran, including a service-disabled veteran, current or former member of the national guard;

(5) is a military veteran or current or former member of the national guard who lost honorable status due to an offense involving the possession or sale of cannabis or marijuana;

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

(i) that experienced a disproportionately large amount of cannabis enforcement as determined by the study conducted by the office pursuant to section 342.04, paragraph (b), or another report based on federal or state data on arrests or convictions;

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

(iii) where the median family income did not exceed 80 percent of the statewide median family income or, if in a metropolitan area, did not exceed the greater of 80 percent of the statewide median family income or 80 percent of the median family income for that metropolitan area;

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

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

(7) has participated in the business operation of a farm for at least three years and currently provides the majority of the day-to-day physical labor and management of a farm that had gross farm sales of at least $5,000 but not more than $100,000 in the previous year.

(b) The qualifications described in paragraph (a) apply to each individual applicant or, in the case of a business entity, apply to at least ~~65~~ 51 percent of the controlling ownership of the business entity.

EFFECTIVE DATE. The amendment to paragraph (a), clause (1), is effective August 1, 2025. The amendment to paragraph (b) is effective July 1, 2026.

Sec. 8. Minnesota Statutes 2024, section 342.22, subdivision 3, is amended to read:

Subd. 3. **Issuance of registration.** (a) A local unit of government shall issue a retail registration to a cannabis microbusiness with a retail operations endorsement, cannabis mezzobusiness with a retail operations endorsement, cannabis retailer, medical cannabis combination business operating a retail location, or lower-potency hemp edible retailer that:

(1) has a valid license or preliminary license ~~preapproval~~ approval issued by the office;

(2) has paid the registration fee or renewal fee pursuant to subdivision 2;

(3) is found to be in compliance with the requirements of this chapter at any preliminary compliance check that the local unit of government performs; and

(4) if applicable, is current on all property taxes and assessments at the location where the retail establishment is located.

(b) Before issuing a retail registration, the local unit of government may conduct a preliminary compliance check to ensure that the cannabis business or hemp business is in compliance with any applicable local ordinance established pursuant to section 342.13.

(c) A local unit of government shall renew the retail registration of a cannabis business or hemp business when the office renews the license of the cannabis business or hemp business.

(d) A retail registration issued under this section may not be transferred.

Sec. 9. Minnesota Statutes 2024, section 342.28, subdivision 1, is amended to read:

Subdivision 1. **Authorized actions.** A cannabis microbusiness license, consistent with the specific license endorsement or endorsements, entitles the license holder to perform any or all of the following within the limits established by this section:

(1) grow cannabis plants from seed or immature plant to mature plant and harvest cannabis flower from a mature plant;

(2) make cannabis concentrate;

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

(4) manufacture artificially derived cannabinoids;

(5) manufacture adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for public consumption;

(6) purchase immature cannabis plants and seedlings ~~and~~, cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products from another cannabis microbusiness, a cannabis mezzobusiness, a cannabis cultivator, a cannabis manufacturer, ~~or~~ a cannabis wholesaler, a lower-potency hemp edible manufacturer, or a lower-potency hemp edible wholesaler;

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

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

(9) purchase cannabis concentrate, hemp concentrate, and artificially derived cannabinoids from another cannabis microbusiness, a cannabis mezzobusiness, a cannabis manufacturer, or a cannabis wholesaler for use in manufacturing adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products;

(10) package and label adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale to customers;

(11) sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer products, and other products authorized by law to other cannabis businesses and to customers;

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

(13) perform other actions approved by the office.

Sec. 10. Minnesota Statutes 2024, section 342.28, subdivision 8, is amended to read:

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

Sec. 11. Minnesota Statutes 2024, section 342.29, subdivision 1, is amended to read:

Subdivision 1. **Authorized actions.** A cannabis mezzobusiness license, consistent with the specific license endorsement or endorsements, entitles the license holder to perform any or all of the following within the limits established by this section:

(1) grow cannabis plants from seed or immature plant to mature plant and harvest cannabis flower from a mature plant for use as adult-use cannabis flower or for use in adult-use cannabis products;

(2) grow cannabis plants from seed or immature plant to mature plant and harvest cannabis flower from a mature plant for use as medical cannabis flower or for use in medical cannabinoid products;

(3) make cannabis concentrate;

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

(5) manufacture artificially derived cannabinoids;

(6) manufacture adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for public consumption;

(7) process medical cannabinoid products;

(8) purchase immature cannabis plants and seedlings ~~and~~, cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products from a cannabis microbusiness, another cannabis mezzobusiness, a cannabis cultivator, a cannabis manufacturer, ~~or~~ a cannabis wholesaler, a lower-potency hemp edible manufacturer, or a lower-potency hemp edible wholesaler;

(9) purchase cannabis concentrate, hemp concentrate, and ~~synthetically~~ artificially derived cannabinoids from a cannabis microbusiness, another cannabis mezzobusiness, a cannabis manufacturer, or a cannabis wholesaler for use in manufacturing adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products;

(10) purchase hemp plant parts and propagules from a licensed hemp grower licensed under chapter 18K;

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

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

(13) sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer products, and other products authorized by law to other cannabis businesses and to customers; and

(14) perform other actions approved by the office.

Sec. 12. Minnesota Statutes 2024, section 342.29, subdivision 7, is amended to read:

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

Sec. 13. Minnesota Statutes 2024, section 342.30, subdivision 1, is amended to read:

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

(1) grow cannabis plants within the approved amount of space from seed or immature plant to mature plant~~,~~;

(2) harvest cannabis flower from a mature plant~~,~~;

(3) package and label immature cannabis plants and seedlings and cannabis flower for sale to other cannabis businesses~~,~~;

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

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

(6) perform other actions approved by the office.

Sec. 14. Minnesota Statutes 2024, section 342.32, subdivision 1, is amended to read:

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

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

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

(3) sell immature cannabis plants and seedlings, adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, hemp-derived consumer products, and other products authorized by law to customers; and

(4) perform other actions approved by the office.

Sec. 15. Minnesota Statutes 2024, section 342.32, subdivision 4, is amended to read:

Subd. 4. **Multiple licenses; limits.** (a) A person, cooperative, or business holding a cannabis retailer license may also hold a cannabis delivery service license and a cannabis event organizer license.

(b) Except as provided in paragraph (a) and subdivision 5, no person, cooperative, or business holding a cannabis retailer license may own or operate any other cannabis business or hemp business.

(c) No person, cooperative, or business may hold a license to own or operate more than one cannabis retail business in one city and three retail businesses in one county.

(d) The office by rule may limit the number of cannabis retailer licenses a person, cooperative, or business may hold.

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

Sec. 16. Minnesota Statutes 2024, section 342.32, subdivision 5, is amended to read:

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

Sec. 17. Minnesota Statutes 2024, section 342.33, subdivision 1, is amended to read:

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

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

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

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

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

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

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

(7) perform other actions approved by the office.

Sec. 18. Minnesota Statutes 2024, section 342.36, subdivision 6, is amended to read:

Subd. 6. **Multiple employees; secured vehicles; delivery routes.** All cannabis transporter vehicles transporting immature cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer products must be ~~staffed with a minimum of two employees~~ (1) secured by turning off the ignition, locking all doors and storage compartments, and removing the operating keys or device, or (2) attended by a cannabis transporter employee at all times. If there are multiple team members staffing an unsecured transport vehicle, at least one delivery team member shall remain with the motor vehicle at all times that the motor vehicle contains immature

cannabis plants and seedlings, cannabis flower, cannabis products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, lower-potency hemp edibles, or hemp-derived consumer products. A cannabis transporter must not be required to randomize delivery times and routes or staff cannabis transport vehicles with multiple employees.

Sec. 19. Minnesota Statutes 2024, section 342.37, is amended by adding a subdivision to read:

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

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

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

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

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

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

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

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

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

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

(1) is not making progress toward accreditation; or

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

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

Sec. 20. Minnesota Statutes 2024, section 342.37, is amended by adding a subdivision to read:

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

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

Sec. 21. Minnesota Statutes 2024, section 342.43, is amended by adding a subdivision to read:

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

Sec. 22. Minnesota Statutes 2024, section 342.61, subdivision 4, is amended to read:

Subd. 4. **Testing of samples; disclosures.** (a) On a schedule determined by the office, every cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, or medical cannabis combination business shall make each batch of cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products grown, manufactured, or imported by the cannabis business or hemp business available to a cannabis testing facility.

(b) A cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, cannabis manufacturer, cannabis wholesaler with an endorsement to import products, lower-potency hemp edible manufacturer, or medical cannabis combination business must disclose all known information regarding pesticides, fertilizers, solvents, or other foreign materials, including but not limited to catalysts used in creating artificially derived cannabinoids, applied or added to the batch of cannabis flower, cannabis products, artificially derived cannabinoids, lower-potency hemp edibles, or hemp-derived consumer products subject to testing. Disclosure must be made to the cannabis testing facility and must include information about all applications by any person, whether intentional or accidental.

(c) ~~The~~ A cannabis ~~testing facility~~ business shall select one or more representative samples from each batch, test the samples for the presence of contaminants, and test the samples for potency and homogeneity and to allow the cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product to be accurately labeled with its cannabinoid profile. Testing for contaminants must include testing for residual solvents, foreign material, microbiological contaminants, heavy metals, pesticide residue, mycotoxins, and any items identified pursuant to paragraph (b), and may include testing for other contaminants. A cannabis testing facility must destroy or return to the cannabis business or hemp business any part of the sample that remains after testing.

Sec. 23. Minnesota Statutes 2024, section 342.63, subdivision 2, is amended to read:

Subd. 2. **Content of label; cannabis.** All cannabis flower and hemp-derived consumer products that consist of hemp plant parts sold to customers or patients must have affixed on the packaging or container of the cannabis flower or hemp-derived consumer product a label that contains at least the following information:

(1) the name and license number of the cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, medical cannabis combination business, or industrial hemp grower where the cannabis flower or hemp plant part was cultivated;

(2) the net weight ~~or volume~~ of cannabis flower or hemp plant parts in the package or container;

(3) the batch number;

(4) the cannabinoid profile;

(5) a universal symbol established by the office indicating that the package or container contains cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product;

(6) verification that the cannabis flower or hemp plant part was tested according to section 342.61 and that the cannabis flower or hemp plant part complies with the applicable standards;

(7) information on the usage of the cannabis flower or hemp-derived consumer product;

(8) the following statement: "Keep this product out of reach of children."; and

(9) any other statements or information required by the office.

Sec. 24. Minnesota Statutes 2024, section 342.63, subdivision 3, is amended to read:

Subd. 3. **Content of label; cannabinoid products.** (a) All cannabis products, lower-potency hemp edibles, hemp concentrate, hemp-derived consumer products other than products subject to the requirements under subdivision 2, medical cannabinoid products, and hemp-derived topical products sold to customers or patients must have affixed to the packaging or container of the cannabis product a label that contains at least the following information:

(1) the name and license number of the cannabis microbusiness, cannabis mezzobusiness, cannabis cultivator, medical cannabis combination business, or industrial hemp grower that cultivated the cannabis flower or hemp plant parts used in the cannabis product, lower-potency hemp edible, hemp-derived consumer product, or medical cannabinoid product;

(2) the name and license number of the cannabis microbusiness, cannabis mezzobusiness, cannabis manufacturer, lower-potency hemp edible manufacturer, medical cannabis combination business, or industrial hemp grower that manufactured the cannabis concentrate, hemp concentrate, or artificially derived cannabinoid and, if different, the name and license number of the cannabis microbusiness, cannabis mezzobusiness, cannabis manufacturer, lower-potency hemp edible manufacturer, or medical cannabis combination business that manufactured the product;

(3) the net weight ~~or volume~~ of the cannabis product, lower-potency hemp edible, or hemp-derived consumer product in the package or container;

(4) the type of cannabis product, lower-potency hemp edible, or hemp-derived consumer product;

(5) the batch number;

(6) the serving size;

(7) the cannabinoid profile per serving and in total;

(8) a list of ingredients;

(9) a universal symbol established by the office indicating that the package or container contains cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product;

(10) a warning symbol developed by the office in consultation with the commissioner of health and the Minnesota Poison Control System that:

(i) is at least three-quarters of an inch tall and six-tenths of an inch wide;

(ii) is in a highly visible color;

(iii) includes a visual element that is commonly understood to mean a person should stop;

(iv) indicates that the product is not for children; and

(v) includes the phone number of the Minnesota Poison Control System;

(11) verification that the cannabis product, lower-potency hemp edible, hemp-derived consumer product, or medical cannabinoid product was tested according to section 342.61 and that the cannabis product, lower-potency hemp edible, hemp-derived consumer product, or medical cannabinoid product complies with the applicable standards;

(12) information on the usage of the product;

(13) the following statement: "Keep this product out of reach of children."; and

(14) any other statements or information required by the office.

(b) The office may by rule establish alternative labeling requirements for lower-potency hemp edibles that are imported into the state if those requirements provide consumers with information that is substantially similar to the information described in paragraph (a).

Sec. 25. Minnesota Statutes 2024, section 342.63, subdivision 6, is amended to read:

Subd. 6. **Additional information.** (a) A cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, or medical cannabis combination business must provide customers and patients with the following information:

(1) factual information about impairment effects and the expected timing of impairment effects, side effects, adverse effects, and health risks of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products;

(2) a statement that customers and patients must not operate a motor vehicle or heavy machinery while under the influence of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products;

(3) resources customers and patients may consult to answer questions about cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products, and any side effects and adverse effects;

(4) contact information for the poison control center and a safety hotline or website for customers to report and obtain advice about side effects and adverse effects of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products;

(5) substance use disorder treatment options; and

(6) any other information specified by the office.

(b) A cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, or medical cannabis combination business may include the information described in paragraph (a) by:

(1) including the information on the label affixed to the packaging or container of cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products ~~by:~~;

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

~~(2)~~ (3) providing the information on a separate document or pamphlet provided to customers or patients when the customer purchases cannabis flower, a cannabis product, a lower-potency hemp edible, or a hemp-derived consumer product.

Sec. 26. **REPEALER.**

Minnesota Statutes 2024, section 342.36, subdivision 5, is repealed.

ARTICLE 3
HEMP BUSINESS REGULATIONS

Section 1. Minnesota Statutes 2024, section 151.72, subdivision 3, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 2. Minnesota Statutes 2024, section 151.72, subdivision 5a, is amended to read:

Subd. 5a. **Additional requirements for edible cannabinoid products.** (a) In addition to the testing and labeling requirements under subdivisions 4 and 5, an edible cannabinoid must meet the requirements of this subdivision.

(b) An edible cannabinoid product must not:

(1) bear the likeness or contain cartoon-like characteristics of a real or fictional person, animal, or fruit that appeals to children;

(2) be modeled after a brand of products primarily consumed by or marketed to children;

(3) be made by applying an extracted or concentrated hemp-derived cannabinoid to a commercially available candy or snack food item;

(4) be substantively similar to a meat food product; poultry food product as defined in section 31A.02, subdivision 10; or a dairy product as defined in section 32D.01, subdivision 7;

(5) contain an ingredient, other than a hemp-derived cannabinoid, that is not approved by the United States Food and Drug Administration for use in food;

(6) be packaged in a way that resembles the trademarked, characteristic, or product-specialized packaging of any commercially available food product; or

(7) be packaged in a container that includes a statement, artwork, or design that could reasonably mislead any person to believe that the package contains anything other than an edible cannabinoid product.

(c) An edible cannabinoid product must be prepackaged in packaging or a container that is child-resistant, tamper-evident, and opaque or placed in packaging or a container that is child-resistant, tamper-evident, and opaque at the final point of sale to a customer. The requirement that packaging be child-resistant does not apply to an edible cannabinoid product that is intended to be consumed as a beverage.

(d) If an edible cannabinoid product, other than a product that is intended to be consumed as a beverage, is intended for more than a single use or contains multiple servings, each serving must be indicated by scoring, wrapping, or other indicators designating the individual serving size that appear on the edible cannabinoid product. If it is not possible to indicate a single serving by scoring or use of another indicator that appears on the product, the edible cannabinoid product may not be packaged in a manner that includes more than a single serving in each

container, except that a calibrated dropper, measuring spoon, or similar device for measuring a single serving, when sold with the product, may be used for any edible cannabinoid products that are intended to be combined with food or beverage products prior to consumption.

(e) A label containing at least the following information must be affixed to the packaging or container of all edible cannabinoid products sold to consumers:

(1) the serving size;

(2) the cannabinoid profile per serving and in total;

(3) a list of ingredients, including identification of any major food allergens declared by name; and

(4) the following statement: "Keep this product out of reach of children."

(f) An edible cannabinoid product that is not intended to be consumed as a beverage must not contain more than five milligrams of any tetrahydrocannabinol in a single serving. ~~An edible cannabinoid product, other than a product that is intended to be consumed as a beverage, may~~ and must not contain more than a total of 50 milligrams of any tetrahydrocannabinol per package. ~~An edible cannabinoid product that is intended to be consumed as a beverage may not contain more than two servings per container.~~

(g) An edible cannabinoid product that is intended to be consumed as a beverage must not contain more than ten milligrams of any tetrahydrocannabinol in a single container.

~~(g)~~ (h) An edible cannabinoid product may contain delta-8 tetrahydrocannabinol or delta-9 tetrahydrocannabinol that is extracted from hemp plants or hemp plant parts or is an artificially derived cannabinoid. Edible cannabinoid products are prohibited from containing any other artificially derived cannabinoid, including but not limited to THC-P, THC-O, and HHC, unless the office authorizes use of the artificially derived cannabinoid in edible cannabinoid products. Edible cannabinoid products are prohibited from containing synthetic cannabinoids.

~~(h)~~ (i) Every person selling edible cannabinoid products to consumers, other than products that are intended to be consumed as a beverage, must ensure that all edible cannabinoid products are displayed behind a checkout counter where the public is not permitted or in a locked case.

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

Sec. 3. Minnesota Statutes 2024, section 342.01, subdivision 9, is amended to read:

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

(1) a cannabis business; or

(2) a lower-potency hemp edible manufacturer.

Sec. 4. Minnesota Statutes 2024, section 342.01, subdivision 34, is amended to read:

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

(1) lower-potency hemp edible manufacturer; ~~or~~

(2) lower-potency hemp edible wholesaler; or

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

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

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

Sec. 5. Minnesota Statutes 2024, section 342.01, subdivision 47, is amended to read:

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

Sec. 6. Minnesota Statutes 2024, section 342.01, subdivision 48, is amended to read:

Subd. 48. **License holder.** "License holder" means a person, cooperative, or business that holds any of the following licenses:

(1) cannabis microbusiness;

(2) cannabis mezzobusiness;

(3) cannabis cultivator;

(4) cannabis manufacturer;

(5) cannabis retailer;

(6) cannabis wholesaler;

(7) cannabis transporter;

(8) cannabis testing facility;

(9) cannabis event organizer;

(10) cannabis delivery service;

(11) lower-potency hemp edible manufacturer;

(12) lower-potency hemp edible wholesaler;

~~(12)~~ (13) lower-potency hemp edible retailer; or

~~(13)~~ (14) medical cannabis combination business.

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

Sec. 7. Minnesota Statutes 2024, section 342.01, subdivision 50, is amended to read:

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

(1) is intended to be eaten or consumed as a beverage by humans;

(2) contains hemp concentrate or an artificially derived cannabinoid, in combination with food ingredients;

(3) is not a drug;

(4) does not contain a cannabinoid derived from cannabis plants or cannabis flower;

(5) is a type of product approved for sale by the office or is substantially similar to a product approved by the office, including but not limited to products that resemble nonalcoholic beverages, candy, and baked goods; and

(6) meets either of the requirements in paragraph (b).

(b) A lower-potency hemp edible includes:

(1) a product that:

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

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

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

(2) a product that:

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

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

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

Sec. 8. Minnesota Statutes 2024, section 342.10, is amended to read:

342.10 LICENSES; TYPES.

The office shall issue the following types of license:

(1) cannabis microbusiness;

(2) cannabis mezzobusiness;

(3) cannabis cultivator;

(4) cannabis manufacturer;

(5) cannabis retailer;

(6) cannabis wholesaler;

(7) cannabis transporter;

(8) cannabis testing facility;

(9) cannabis event organizer;

(10) cannabis delivery service;

(11) lower-potency hemp edible manufacturer;

(12) lower-potency hemp edible wholesaler;

~~(12)~~ (13) lower-potency hemp edible retailer; and

~~(13)~~ (14) medical cannabis combination business.

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

Sec. 9. Minnesota Statutes 2024, section 342.11, is amended to read:

342.11 LICENSES; FEES.

(a) The office shall require the payment of application fees, initial licensing fees, and renewal licensing fees as provided in this section. The initial license fee shall include the fee for initial issuance of the license and the first annual renewal. The renewal fee shall be charged at the time of the second renewal and each subsequent annual renewal thereafter. Nothing in this section prohibits a local unit of government from charging the retailer registration fee established in section 342.22. Application fees, initial licensing fees, and renewal licensing fees are nonrefundable.

(b) Application and licensing fees shall be as follows:

(1) for a cannabis microbusiness:

(i) an application fee of $500;

(ii) an initial license fee of $0; and

(iii) a renewal license fee of $2,000;

(2) for a cannabis mezzobusiness:

(i) an application fee of $5,000;

(ii) an initial license fee of $5,000; and

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

(3) for a cannabis cultivator:

(i) an application fee of $10,000;

(ii) an initial license fee of $20,000; and

(iii) a renewal license fee of $30,000;

(4) for a cannabis manufacturer:

(i) an application fee of $10,000;

(ii) an initial license fee of $10,000; and

(iii) a renewal license fee of $20,000;

(5) for a cannabis retailer:

(i) an application fee of $2,500;

(ii) an initial license fee of $2,500; and

(iii) a renewal license fee of $5,000;

(6) for a cannabis wholesaler:

(i) an application fee of $5,000;

(ii) an initial license fee of $5,000; and

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

(7) for a cannabis transporter:

(i) an application fee of $250;

(ii) an initial license fee of $500; and

(iii) a renewal license fee of $1,000;

(8) for a cannabis testing facility:

(i) an application fee of $5,000;

(ii) an initial license fee of $5,000; and

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

(9) for a cannabis delivery service:

(i) an application fee of $250;

(ii) an initial license fee of $500; and

(iii) a renewal license fee of $1,000;

(10) for a cannabis event organizer:

(i) an application fee of $750; and

(ii) an initial license fee of $750;

(11) for a lower-potency hemp edible manufacturer:

(i) an application fee of $250;

(ii) an initial license fee of $1,000; and

(iii) a renewal license fee of $1,000;

(12) for a lower-potency hemp edible wholesaler:

(i) an application fee of $250;

(ii) an initial license fee of $10,000; and

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

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

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

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

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

~~(13)~~ (14) for a medical cannabis combination business:

(i) an application fee of $10,000;

(ii) an initial license fee of $20,000; and

(iii) a renewal license fee of $70,000.

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

Sec. 10. Minnesota Statutes 2024, section 342.13, is amended to read:

342.13 LOCAL CONTROL.

(a) A local unit of government may not prohibit the possession, transportation, or use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products authorized under this chapter.

(b) Except as provided in section 342.22, a local unit of government may not prohibit the establishment or operation of a cannabis business or hemp business licensed under this chapter.

(c) A local unit of government may adopt reasonable restrictions on the time, place, and manner of the operation of a cannabis business provided that such restrictions do not prohibit the establishment or operation of cannabis businesses. A local unit of government may prohibit the operation of a cannabis business within 1,000 feet of a school, or 500 feet of a day care, residential treatment facility, or an attraction within a public park that is regularly used by minors, including a playground or athletic field.

(d) The office shall work with local units of government to:

(1) develop model ordinances for reasonable restrictions on the time, place, and manner of the operation of a cannabis business;

(2) develop standardized forms and procedures for the issuance of a retail registration pursuant to section 342.22; and

(3) develop model policies and procedures for the performance of compliance checks required under section 342.22.

(e) If a local unit of government is conducting studies or has authorized a study to be conducted or has held or has scheduled a hearing for the purpose of considering adoption or amendment of reasonable restrictions on the time, place, and manner of the operation of a cannabis business, the governing body of the local unit of government may adopt an interim ordinance applicable to all or part of its jurisdiction for the purpose of protecting the planning process and the health, safety, and welfare of its citizens. Before adopting the interim ordinance, the governing body must hold a public hearing. The interim ordinance may regulate, restrict, or prohibit the operation of a cannabis business within the jurisdiction or a portion thereof until January 1, 2025.

(f) Within 30 days of receiving a copy of an application from the office, a local unit of government shall certify on a form provided by the office whether a proposed cannabis business complies with local zoning ordinances and, if applicable, whether the proposed business complies with the state fire code and building code. The office may not issue a license if the local unit of government informs the office that the cannabis business does not meet local zoning and land use laws. If the local unit of government does not provide the certification to the office within 30 days of receiving a copy of an application from the office, the office may issue a license.

(g) The office by rule shall establish an expedited complaint process to receive, review, and respond to complaints made by a local unit of government about a cannabis business. At a minimum, the expedited complaint process shall require the office to provide an initial response to the complaint within seven days and perform any necessary inspections within 30 days. Nothing in this paragraph prohibits a local unit of government from enforcing a local ordinance. If a local unit of government notifies the office that a cannabis business other than a cannabis retailer, cannabis microbusiness ~~or,~~ cannabis mezzobusiness or lower-potency hemp edible retailer with a retail operations endorsement~~, lower-potency hemp edible retailer~~, or medical cannabis combination business operating a retail location poses an immediate threat to the health or safety of the public, the office must respond within one business day and may take any action described in section 342.19 or 342.21.

(h) A local government unit that issues a cannabis retailer registration under section 342.22 may, by ordinance, limit the number of licensed cannabis retailers, cannabis mezzobusinesses with a retail operations endorsement, and cannabis microbusinesses with a retail operations endorsement to no fewer than one registration for every 12,500 residents.

(i) If a county has one active registration for every 12,500 residents, a city or town within the county is not obligated to register a cannabis business.

(j) Nothing in this section shall prohibit a local government unit from allowing licensed cannabis retailers in excess of the minimums set in paragraph (h).

(k) Notwithstanding the foregoing provisions, the state shall not issue a license to any cannabis business to operate in Indian country, as defined in United States Code, title 18, section 1151, of a Minnesota Tribal government without the consent of the Tribal government.

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

Sec. 11. Minnesota Statutes 2024, section 342.18, subdivision 2, is amended to read:

Subd. 2. **Vertical integration prohibited; exceptions.** (a) Except as otherwise provided in this subdivision, the office shall not issue licenses to a single applicant that would result in the applicant being vertically integrated in violation of the provisions of this chapter.

(b) Nothing in this section prohibits or limits the issuance of microbusiness licenses, mezzobusiness licenses, or medical cannabis combination business licenses, or the issuance of ~~both~~ lower-potency hemp edible manufacturer, lower-potency hemp edible wholesaler, and lower-potency hemp edible retailer licenses to the same person or entity.

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

Sec. 12. Minnesota Statutes 2024, section 342.22, is amended by adding a subdivision to read:

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

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

Sec. 13. Minnesota Statutes 2024, section 342.34, subdivision 5, is amended to read:

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

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

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

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

(c) The cannabis wholesaler must enter all relevant information regarding an imported hemp-derived consumer product into the statewide monitoring system before the product may be distributed. Relevant information includes information regarding the cultivation, processing, and testing of the industrial hemp used in the manufacture of the product and information regarding the testing of the hemp-derived consumer product. If information regarding the industrial hemp or hemp-derived consumer product was submitted to a statewide monitoring system used in another state, the office may require submission of any information provided to that statewide monitoring system and shall assist in the transfer of data from another state as needed and in compliance with any data classification established by either state.

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

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

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

Sec. 14. Minnesota Statutes 2024, section 342.39, subdivision 3, is amended to read:

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

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

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

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

Sec. 15. Minnesota Statutes 2024, section 342.43, subdivision 1, is amended to read:

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

(1) lower-potency hemp edible manufacturer; ~~and~~

(2) lower-potency hemp edible wholesaler; and

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

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

Sec. 16. Minnesota Statutes 2024, section 342.43, subdivision 2, is amended to read:

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

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

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

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

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

Sec. 17. Minnesota Statutes 2024, section 342.44, subdivision 1, is amended to read:

Subdivision 1. **Application; contents.** (a) Except as otherwise provided in this subdivision, the provisions of this chapter relating to license applications, license selection criteria, general ownership disqualifications and requirements, and general operational requirements do not apply to hemp businesses.

(b) The office~~, by rule,~~ shall establish forms and procedures for the processing of hemp licenses issued under this chapter. At a minimum, any application to obtain or renew a hemp license shall include the following information, if applicable:

(1) the name, address, and date of birth of the applicant;

(2) the address and legal property description of the business;

(3) proof of trade name registration;

(4) certification that the applicant will comply with the requirements of this chapter relating to the ownership and operation of a hemp business;

(5) identification of one or more controlling persons or managerial employees as agents who shall be responsible for dealing with the office on all matters; and

(6) a statement that the applicant agrees to respond to the office's supplemental requests for information.

(c) An applicant for a lower-potency hemp edible manufacturer license must submit an attestation signed by a bona fide labor organization stating that the applicant has entered into a labor peace agreement.

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

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

Sec. 18. Minnesota Statutes 2024, section 342.45, is amended by adding a subdivision to read:

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

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

Sec. 19. Minnesota Statutes 2024, section 342.45, is amended by adding a subdivision to read:

Subd. 7. **Manufacture of products for sale in other jurisdictions.** (a) Nothing in this chapter prohibits a lower-potency hemp edible manufacturer from manufacturing, packaging, labeling, and distributing edible products containing cannabinoids derived from hemp that do not qualify as lower-potency hemp edibles if:

(1) the products are intended, distributed, and offered for sale only in jurisdictions other than Minnesota;

(2) the products are physically separated from all lower-potency hemp edibles during the manufacturing, packaging, and labeling process; and

(3) the products' packaging clearly states that the products are not for sale in Minnesota.

(b) The office may take enforcement action as provided in sections 342.19 and 342.21 if the office determines that the lower-potency hemp edible manufacturer:

(1) sold or offered for sale in Minnesota any edible product containing cannabinoids derived from hemp that does not qualify as a lower-potency hemp edible; or

(2) manufactured, distributed, or stored any edible product containing cannabinoids derived from hemp that does not qualify as a lower-potency hemp edible with the intent that the product be offered for sale in Minnesota.

Sec. 20. **[342.455] LOWER-POTENCY HEMP EDIBLE WHOLESALER.**

Subdivision 1. **Authorized actions.** A lower-potency hemp edible wholesaler license, consistent with the specific license endorsement or endorsements, entitles the license holder to perform any or all of the following within the limits established by this section:

(1) purchase lower-potency hemp edibles from cannabis microbusinesses, cannabis mezzobusinesses, cannabis cultivators, cannabis manufacturers, cannabis wholesalers, other lower-potency hemp edible wholesalers, and lower-potency hemp edible manufacturers;

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

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

(4) perform other actions approved by the office.

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

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

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

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

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

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

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

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

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

Subd. 4. **Transportation of lower-potency hemp edibles; endorsement.** (a) A lower-potency hemp edible wholesaler that transports lower-potency hemp edibles to a cannabis microbusiness, cannabis mezzobusiness, cannabis retailer, cannabis wholesaler, medical cannabis combination business, different lower-potency hemp edible wholesaler, or lower-potency hemp edible retailer must obtain a lower-potency hemp edible transporter endorsement from the office.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 21. Minnesota Statutes 2024, section 342.46, subdivision 1, is amended to read:

Subdivision 1. ~~**Sale of lower-potency hemp edibles**~~ **Authorized actions.** (a) A lower-potency hemp edible retailer ~~may only sell lower-potency hemp edibles to individuals who are at least 21 years of age.~~ license, consistent with the specific license endorsement or endorsements, entitles the license holder to perform any or all of the following within the limits established by this section:

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

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

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

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

(4) perform other actions approved by the office.

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

Sec. 22. Minnesota Statutes 2024, section 342.46, is amended by adding a subdivision to read:

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

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

Sec. 23. Minnesota Statutes 2024, section 342.46, is amended by adding a subdivision to read:

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

(1) proof of insurance for each vehicle;

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

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

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

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

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

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

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

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

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

Sec. 24. Minnesota Statutes 2024, section 342.46, subdivision 3, is amended to read:

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

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

Sec. 25. Minnesota Statutes 2024, section 342.46, subdivision 4, is amended to read:

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

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

Sec. 26. Minnesota Statutes 2024, section 342.46, subdivision 5, is amended to read:

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

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

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

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

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

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

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

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

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

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

Sec. 27. Minnesota Statutes 2024, section 342.46, subdivision 6, is amended to read:

Subd. 6. **Compliant products.** ~~(a)~~ A lower-potency hemp edible retailer shall ensure that all ~~lower-potency hemp edibles~~ products containing cannabinoids offered for sale qualify as hemp-derived topical products or lower-potency hemp edibles and comply with ~~the~~ all applicable limits on the amount and types of cannabinoids that ~~a lower-potency hemp edible~~ the product can contain~~, including but not limited to the requirement that lower-potency hemp edibles:~~.

~~(1) consist of servings that contain no more than five milligrams of delta-9 tetrahydrocannabinol, no more than 25 milligrams of cannabidiol, no more than 25 milligrams of cannabigerol, or any combination of those cannabinoids that does not exceed the identified amounts;~~

~~(2) do not contain more than a combined total of 0.5 milligrams of all other cannabinoids per serving; and~~

~~(3) do not contain an artificially derived cannabinoid other than delta-9 tetrahydrocannabinol.~~

~~(b) If a lower-potency hemp edible is packaged in a manner that includes more than a single serving, the lower-potency hemp edible must indicate each serving by scoring, wrapping, or other indicators that appear on the lower-potency hemp edible designating the individual serving size. If it is not possible to indicate a single serving by scoring or use of another indicator that appears on the product, the lower-potency hemp edible may not be packaged in a manner that includes more than a single serving in each container, except that a calibrated dropper, measuring spoon, or similar device for measuring a single serving may be used for any edible cannabinoid products that are intended to be combined with food or beverage products prior to consumption. If the lower-potency hemp edible is meant to be consumed as a beverage, the beverage container may not contain more than two servings per container.~~

~~(c) A single package containing multiple servings of a lower-potency hemp edible must contain no more than 50 milligrams of delta-9 tetrahydrocannabinol, 250 milligrams of cannabidiol, 250 milligrams of cannabigerol, or any combination of those cannabinoids that does not exceed the identified amounts.~~

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

Sec. 28. Minnesota Statutes 2024, section 342.46, subdivision 7, is amended to read:

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

(1) sell or deliver lower-potency hemp edibles to an individual who is under 21 years of age;

(2) sell or deliver a lower-potency hemp edible to a person who is visibly intoxicated;

(3) sell or deliver cannabis flower, cannabis products, or hemp-derived consumer products;

(4) allow for the dispensing of lower-potency hemp edibles in vending machines; or

(5) distribute or allow free samples of lower-potency hemp edibles except when the business is licensed to permit on-site consumption and samples are consumed within its licensed premises.

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

Sec. 29. Minnesota Statutes 2024, section 342.46, subdivision 9, is amended to read:

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

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

Sec. 30. Minnesota Statutes 2024, section 342.62, subdivision 2, is amended to read:

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

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

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

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

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

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

(1) the product is packaged in individual servings;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 31. Minnesota Statutes 2024, section 342.63, subdivision 5, is amended to read:

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

(1) the manufacturer name, location, phone number, and website;

(2) the name and address of the independent, accredited laboratory used by the manufacturer to test the product;

(3) the net weight or volume of the product in the package or container;

(4) the type of topical product;

(5) the amount or percentage of cannabidiol, cannabigerol, or any other cannabinoid, derivative, or extract of hemp, per serving and in total;

(6) a list of ingredients;

(7) a statement that the product does not claim to diagnose, treat, cure, or prevent any disease and that the product has not been evaluated or approved by the United States Food and Drug Administration, unless the product has been so approved; and

(8) any other statements or information required by the office.

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

Sec. 32. Minnesota Statutes 2024, section 342.65, is amended to read:

342.65 INDUSTRIAL HEMP; PRODUCTS FOR SALE IN OTHER JURISDICTIONS.

(a) Nothing in this chapter shall limit the ability of a person licensed under chapter 18K to grow industrial hemp for commercial or research purposes, process industrial hemp for commercial purposes, sell hemp fiber products and hemp grain, manufacture hemp-derived topical products, or perform any other actions authorized by the commissioner of agriculture. For purposes of this section, "processing" has the meaning given in section 18K.02, subdivision 5, and does not include the process of creating artificially derived cannabinoids.

(b) Nothing in this chapter prohibits a person who does not hold a license issued by the office from manufacturing, packaging, labeling, and distributing products containing cannabinoids derived from hemp that are not identified in paragraph (a) if:

(1) the products are intended, distributed, and offered for sale only in jurisdictions other than Minnesota; and

(2) the products' packaging clearly states that the products are not for sale in Minnesota.

(c) The office may take enforcement action as provided in section 342.19, subdivision 6, if the office determines that the person:

(1) sold or offered for sale in Minnesota any product containing cannabinoids that is not identified in paragraph (a); or

(2) manufactured, distributed, or stored any product containing cannabinoids derived from hemp that is not identified in paragraph (a) with the intent that the product be offered for sale in Minnesota.

Sec. 33. Minnesota Statutes 2024, section 342.66, subdivision 6, is amended to read:

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

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

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

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

(4) to be consumed through chewing; or

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

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

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

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

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

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

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

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

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

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

Amend the title accordingly

With the recommendation that when so amended the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

Liebling and Scott from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 1671, A bill for an act relating to labor and industry; making policy and technical changes; amending Minnesota Statutes 2024, sections 177.27, subdivision 5; 326B.0981, subdivision 4; 326B.31, subdivision 29; 326B.33, subdivision 21; 326B.36, subdivision 7.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Workforce, Labor, and Economic Development Finance and Policy.

The report was adopted.

Liebling and Scott from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 1672, A bill for an act relating to state government; modifying medical cannabis provisions; amending Minnesota Statutes 2024, sections 342.01, subdivision 71, by adding subdivisions; 342.09, subdivision 2; 342.51, subdivision 2, by adding a subdivision; 342.52, subdivision 9; 342.57.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Commerce Finance and Policy.

The report was adopted.

Klevorn and Nash from the Committee on State Government Finance and Policy to which was referred:

H. F. No. 1889, A bill for an act relating to retirement; making administrative changes to statutes governing the retirement plans administered by the Minnesota State Retirement System; making conforming changes to vesting requirements for deferred retirement annuities; modifying the annual reporting requirement for plan operational and other errors; requiring reports; amending Minnesota Statutes 2024, sections 352.22, subdivisions 2b, 3; 356.636, subdivision 3.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

Liebling and Scott from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 1918, A bill for an act relating to the Department of Children, Youth, and Families; policy language for the Department of Children, Youth, and Families; updating the TEACH early childhood program, the great start compensation support payment program, child welfare policies, and out-of-home placement plans; modifying provisions to prevent foster care placements; exempting the commissioner from electronic benefits transfer contract term limits; amending Minnesota Statutes 2024, sections 142A.03, by adding a subdivision; 142D.21, by adding a subdivision; 260.65; 260.66, subdivision 1; 260.691, subdivision 1; 260.692; 260C.001, subdivision 2; 260C.007, subdivision 19; 260C.141, subdivision 1; 260C.150, subdivision 3; 260C.178, subdivisions 1, 7; 260C.201, subdivisions 1, 2; 260C.202, subdivision 2, by adding subdivisions; 260C.204; 260C.212, subdivisions 1, 1a; 260C.223, subdivisions 1, 2; 260C.329, subdivisions 3, 8; 260C.451, subdivision 9; 260C.452, subdivision 4; 260E.09; 260E.20, subdivisions 1, 3; 260E.24, subdivisions 1, 2; proposing coding for new law in Minnesota Statutes, chapter 260E.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Children and Families Finance and Policy.

The report was adopted.

Freiberg and Quam from the Committee on Elections Finance and Government Operations to which was referred:

H. F. No. 2098, A bill for an act relating to Metropolitan Council; modifying procedures and review period for certain metropolitan programs; modifying certain reporting requirements for expenditures; eliminating a report; amending Minnesota Statutes 2024, sections 473.173, subdivision 6; 473.254, subdivisions 2, 6; 473.351, subdivision 3; 473H.08, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
LOCAL GOVERNMENT POLICY

Section 1. Minnesota Statutes 2024, section 13.43, subdivision 2, is amended to read:

Subd. 2. **Public data.** (a) Except for employees described in subdivision 5 and subject to the limitations described in subdivision 5a, the following personnel data on current and former employees, volunteers, and independent contractors of a government entity is public:

(1) name; employee identification number, which must not be the employee's Social Security number; actual gross salary; salary range; terms and conditions of employment relationship; contract fees; actual gross pension; the value and nature of employer paid fringe benefits; and the basis for and the amount of any added remuneration, including expense reimbursement, in addition to salary;

(2) job title and bargaining unit; job description; education and training background; and previous work experience;

(3) date of first and last employment;

(4) the existence and status of any complaints or charges against the employee, regardless of whether the complaint or charge resulted in a disciplinary action;

(5) the final disposition of any disciplinary action together with the specific reasons for the action and data documenting the basis of the action, excluding data that would identify confidential sources who are employees of the public body;

(6) the complete terms of any agreement settling any dispute arising out of an employment relationship, including a buyout agreement as defined in section 123B.143, subdivision 2, paragraph (a); except that the agreement must include specific reasons for the agreement if it involves the payment of more than $10,000 of public money;

(7) work location; a work telephone number; badge number; work-related continuing education; and honors and awards received; and

(8) payroll time sheets or other comparable data that are only used to account for employee's work time for payroll purposes, except to the extent that release of time sheet data would reveal the employee's reasons for the use of sick or other medical leave or other not public data.

(b) For purposes of this subdivision, a final disposition occurs when the government entity makes its final decision about the disciplinary action, regardless of the possibility of any later proceedings or court proceedings. Final disposition includes a resignation by an individual when the resignation occurs after the final decision of the government entity, or arbitrator. In the case of arbitration proceedings arising under collective bargaining agreements, a final disposition occurs at the conclusion of the arbitration proceedings, or upon the failure of the employee to elect arbitration within the time provided by the collective bargaining agreement. A disciplinary action does not become public data if an arbitrator sustains a grievance and reverses all aspects of any disciplinary action.

(c) The government entity may display a photograph of a current or former employee to a prospective witness as part of the government entity's investigation of any complaint or charge against the employee.

(d) A complainant has access to a statement provided by the complainant to a government entity in connection with a complaint or charge against an employee.

(e) Notwithstanding paragraph (a), clause (5), and subject to paragraph (f), upon completion of an investigation of a complaint or charge against a public official, or if a public official resigns or is terminated from employment while the complaint or charge is pending, all data relating to the complaint or charge are public, unless access to the data would jeopardize an active investigation or reveal confidential sources. For purposes of this paragraph, "public official" means:

(1) the head of a state agency and deputy and assistant state agency heads;

(2) members of boards or commissions required by law to be appointed by the governor or other elective officers;

(3) members of the Metropolitan Council appointed by the governor under section 473.123, subdivision 3;

~~(3)~~ (4) executive or administrative heads of departments, bureaus, divisions, or institutions within state government; and

~~(4)~~ (5) the following employees:

(i) the chief administrative officer, or the individual acting in an equivalent position, in all political subdivisions;

(ii) individuals required to be identified by a political subdivision pursuant to section 471.701;

(iii) in a city ~~with a population of more than 7,500~~ or a county ~~with a population of more than 5,000~~: managers; chiefs; heads or directors of departments, divisions, bureaus, or boards; ~~and any equivalent position; and~~

(iv) in a school district: business managers; human resource directors; athletic directors whose duties include at least 50 percent of their time spent in administration, personnel, supervision, and evaluation; chief financial officers; directors; individuals defined as superintendents and principals under Minnesota Rules, part 3512.0100; and in a charter school, individuals employed in comparable positions~~.~~; and

(v) in the Metropolitan Council, a public corporation and political subdivision of the state established under chapter 473: the chair of the Metropolitan Council appointed by the governor; the regional administrator appointed as the principal administrative officer by the Metropolitan Council under section 473.125; the deputy regional administrator; the general counsel appointed by the Metropolitan Council under section 473.123, subdivision 8; the executive heads of divisions, including the general managers and executive directors; the executive head responsible for compliance with Equal Employment Opportunity provisions of federal law; and the chief law enforcement officer of the Metropolitan Transit Police appointed by the regional administrator under section 473.407, subdivision 4.

(f) Data relating to a complaint or charge against an employee identified under paragraph (e), clause ~~(4)~~ (5), ~~are~~ is public only if:

(1) the complaint or charge results in disciplinary action or the employee resigns or is terminated from employment while the complaint or charge is pending; or

(2) potential legal claims arising out of the conduct that is the subject of the complaint or charge are released as part of a settlement agreement.

This paragraph and paragraph (e) do not authorize the release of data that are made not public under other law.

Sec. 2. Minnesota Statutes 2024, section 117.036, subdivision 2, is amended to read:

Subd. 2. **Appraisal.** (a) Before commencing an eminent domain proceeding under this chapter for an acquisition greater than $25,000, the acquiring authority must obtain at least one appraisal for the property proposed to be acquired. In making the appraisal, the appraiser must confer with one or more of the owners of the property, if reasonably possible. For acquisitions less than $25,000, the acquiring authority may obtain a minimum damage acquisition report in lieu of an appraisal. In making the minimum damage acquisition report, the qualified person with appraisal knowledge must confer with one or more of the owners of the property, if reasonably possible. Notwithstanding section 13.44, the acquiring authority must provide the owner with a copy of (1) each appraisal for property acquisitions over $25,000, or (2) the minimum damage acquisition report for properties under $25,000, the

acquiring authority has obtained for the property at the time an offer is made, but no later than 60 days before presenting a petition under section 117.055. The acquiring authority must also inform the owner of the right to obtain an appraisal under this section. Upon request, the acquiring authority must make available to the owner all appraisals for properties over $25,000, or the minimum damage acquisition report for properties under $25,000. If the acquiring authority is considering both a full and partial taking of the property, the acquiring authority shall obtain and provide the owner with appraisals for properties over $25,000 for both types of takings, or minimum damage acquisition reports for properties under $25,000.

(b) The owner may obtain an appraisal by a qualified appraiser of the property proposed to be acquired. The owner is entitled to reimbursement for the reasonable costs of the appraisal from the acquiring authority up to a maximum of ~~$1,500~~ $3,000 for single family and two-family residential property and minimum damage acquisitions and ~~$5,000~~ $10,000 for other types of property, provided that the owner submits to the acquiring authority the information necessary for reimbursement, including a copy of the owner's appraisal, at least five days before a condemnation commissioners' hearing. For purposes of this subdivision, a "minimum damage acquisition" means an interest in property that a qualified person having an understanding of the local real estate market indicates can be acquired for $25,000 or less.

(c) The acquiring authority must pay the reimbursement to the owner within 30 days after receiving a copy of the appraisal and the reimbursement information. Upon agreement between the acquiring authority and the owner, the acquiring authority may pay the reimbursement directly to the appraiser.

Sec. 3. Minnesota Statutes 2024, section 222.37, subdivision 1, is amended to read:

Subdivision 1. **Use requirements.** (a) Any water power, telegraph, telephone, pneumatic tube, pipeline, community antenna television, cable communications or electric light, heat, power company, entity that receives a route permit under chapter 216E for a high-voltage transmission line necessary to interconnect an electric power generating facility with transmission lines or associated facilities of an entity that directly, or through its members or agents, provides retail electric service in the state, or fire department may use public roads for the purpose of constructing, using, operating, and maintaining lines, subways, canals, conduits, transmission lines, hydrants, or dry hydrants, for their business, but such lines shall be so located as in no way to interfere with the safety and convenience of ordinary travel along or over the same; and, in the construction and maintenance of such line, subway, canal, conduit, transmission lines, hydrants, or dry hydrants, the entity shall be subject to all reasonable regulations imposed by the governing body of any county, town or city in which such public road may be. If the governing body does not require the entity to obtain a permit, an entity shall notify the governing body of any county, town, or city having jurisdiction over a public road prior to the construction or major repair, involving extensive excavation on the road right-of-way, of the entity's equipment along, over, or under the public road, unless the governing body waives the notice requirement. A waiver of the notice requirement must be renewed on an annual basis. For emergency repair an entity shall notify the governing body as soon as practical after the repair is made. Nothing herein shall be construed to grant to any person any rights for the maintenance of a telegraph, telephone, pneumatic tube, community antenna television system, cable communications system, or light, heat, power system, electric power generating system, high-voltage transmission line, or hydrant system within the corporate limits of any city until such person shall have obtained the right to maintain such system within such city or for a period beyond that for which the right to operate such system is granted by such city.

(b) Any public water district, sewer district, or combination water and sewer district established under chapter 116A may install water and sewer lines and all other ancillary infrastructure within a public road right-of-way in accordance with paragraph (a).

Sec. 4. Minnesota Statutes 2024, section 331A.10, subdivision 2, is amended to read:

Subd. 2. **Discontinuance.** (a) When a newspaper ceases to be published before the publication of a public notice is commenced, or when commenced ceases before the publication is completed, the following procedures apply: (1) when the publication is required by court order, the order for publication~~, when one is required in the first instance,~~ may be amended by order of the court or judge, to designate another newspaper, as may be necessary~~. If no order is required in the first instance,~~; or (2) when the publication is required by law, rule, or ordinance, the publication may be made or completed in any other qualified newspaper.

(b) If no qualified newspaper is available for publication of a public notice after the discontinuance of a newspaper, the political subdivision must post the information required to be published on the political subdivision's website until another qualified newspaper is identified, which shall then be designated. During the time when no qualified newspaper is available, the political subdivision must also post the public notice on the Minnesota Newspaper Association's statewide public notice website, at no additional cost to the political subdivision.

(c) Any time during which the notice is published in ~~the first~~ a newspaper prior to the newspaper's discontinuance shall be calculated as a part of the time required for the publication, proof of which may be made by affidavit of any person acquainted with the facts.

Sec. 5. Minnesota Statutes 2024, section 367.36, subdivision 1, is amended to read:

Subdivision 1. **Transition; audit.** (a) In a town in which option D is adopted, the incumbent treasurer shall continue in office until the expiration of the term. Thereafter, or at any time a vacancy other than a temporary vacancy under section 367.03 occurs in the position, the duties of the treasurer prescribed by law shall be performed by the clerk who shall be referred to as the clerk-treasurer. If option D is adopted at an election in which the treasurer is also elected, the election of the treasurer's position is void.

(b) If the offices of clerk and treasurer are combined and the town's annual revenue is more than the amount in paragraph (c), the town board shall provide for an annual audit of the town's financial affairs by the state auditor or a public accountant in accordance with minimum audit procedures prescribed by the state auditor. If the offices of clerk and treasurer are combined and the town's annual revenue is the amount in paragraph (c) or less, the town board shall provide for an audit of the town's financial affairs by the state auditor or a public accountant in accordance with minimum audit procedures prescribed by the state auditor at least once every five years, which audit shall be for a one-year period to be determined at random by the person conducting the audit. Upon completion of an audit by a public accountant, the public accountant shall forward a copy of the audit to the state auditor. For purposes of this subdivision, "public accountant" means a certified public accountant or a certified public accounting firm licensed in accordance with chapter 326A.

(c) For the purposes of paragraph (b), the amount in ~~2004~~ 2025 is ~~$150,000~~ $1,000,000, and ~~in 2005 and after, $150,000~~ is adjusted annually thereafter for inflation using the annual implicit price deflator for state and local expenditures as published by the United States Department of Commerce.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to audits performed for 2026 and thereafter.

Sec. 6. Minnesota Statutes 2024, section 383C.035, is amended to read:

383C.035 UNCLASSIFIED CIVIL SERVICE.

(a) The officers and employees of the county and of any agency, board, or commission, supported in whole or in part by taxation upon the taxable property of the county or appointed by the judges of the district court for the county, are divided into the unclassified and classified service.

(b) The unclassified service comprises:

(1) all officers elected by popular vote or persons appointed to fill vacancies in such offices;

(2) superintendent or principal administrative officer or comptroller of any separate department of county government which is now or hereafter created pursuant to law, who is directly responsible to the board of county commissioners or any other board or commission, as well as the county agricultural agents reporting to the county extension committee;

(3) members of nonpaid board, or commissioners appointed by the board of county commissioners or acting in an advisory capacity;

(4) assistant county attorneys or special investigators in the employ of the county attorney. For purposes of this section, special investigators are defined as all nonclerical positions in the employ of the county attorney;

(5) all common labor temporarily employed on an hourly basis;

(6) not more than a total of nine full-time equivalent clerical employees serving the county board and administrator;

(7) a legislative lobbyist/grant coordinator appointed by the county board to act as legislative liaison with the St. Louis County legislative delegation and pursue legislative concerns and grant opportunities for the county, and the clerk for that position;

(8) any department head and deputy director designated by the county board;

(9) three administrative assistants in the county administrator's office;

(10) the county administrator and ~~two~~ deputy administrators; and

(11) all court bailiffs.

(c) The classified service includes all other positions now existing and hereinafter created in the service of the county or any board or commission, agency, or offices of the county.

Sec. 7. Minnesota Statutes 2024, section 412.02, subdivision 3, is amended to read:

Subd. 3. **Clerk, treasurer combined; audit standards.** (a) In cities operating under the standard plan of government the council may by ordinance adopted at least 60 days before the next regular city election combine the offices of clerk and treasurer in the office of clerk-treasurer, but such an ordinance shall not be effective until the expiration of the term of the incumbent treasurer or when an earlier vacancy occurs. After the effective date of the ordinance, the duties of the treasurer and deputy treasurer as prescribed by this chapter shall be performed by the clerk-treasurer or a duly appointed deputy. The offices of clerk and treasurer may be reestablished by ordinance.

(b) If the offices of clerk and treasurer are combined as provided by this section and the city's annual revenue for all governmental and enterprise funds combined is more than the amount in paragraph (c), the council shall provide for an annual audit of the city's financial affairs by the state auditor or a public accountant in accordance with minimum auditing procedures prescribed by the state auditor. If the offices of clerk and treasurer are combined and the city's annual revenue for all governmental and enterprise funds combined is the amount in paragraph (c), or less, the council shall provide for an audit of the city's financial affairs by the state auditor or a public accountant in accordance with minimum audit procedures prescribed by the state auditor at least once every five years, which audit shall be for a one-year period to be determined at random by the person conducting the audit.

(c) For the purposes of paragraph (b), the amount in ~~2004~~ 2025 is ~~$150,000~~ $1,000,000, and ~~in 2005 and after, $150,000~~ is adjusted annually thereafter for inflation using the annual implicit price deflator for state and local expenditures as published by the United States Department of Commerce.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to audits performed for 2026 and thereafter.

Sec. 8. Minnesota Statutes 2024, section 412.341, subdivision 1, is amended to read:

Subdivision 1. **Membership.** (a) The commission shall consist of three, five, or seven members appointed by the council. No more than one member may be chosen from the council membership for a commission with three members, and no more than two members may be chosen from the council membership for a commission with five or seven members. Except for the terms of members appointed to the initial commission as provided in paragraph (b), each member shall serve for a term of three years and until a successor is appointed and qualified ~~except that of the members initially appointed in any city, one shall serve for a term of one year, one for a term of two years, and one for a term of three years~~. Residence shall not be a qualification for membership on the commission unless the council so provides. A vacancy shall be filled by the council for the unexpired term.

(b) The members appointed to the initial commission after its establishment under section 412.331 shall serve the following terms:

(1) if the initial commission consists of three members, one member shall serve for a term of one year, one member for a term of two years, and one member for a term of three years;

(2) if the initial commission consists of five members, one member shall serve for a term of one year, two members for a term of two years, and two members for a term of three years; or

(3) if the initial commission consists of seven members, two members shall serve for a term of one year, two members for a term of two years, and three members for a term of three years.

Sec. 9. Minnesota Statutes 2024, section 412.341, is amended by adding a subdivision to read:

Subd. 3. **Change in membership; procedures.** (a) The number of commission members may be increased or decreased by ordinance within the permitted number of commissioner members as provided in subdivision 1, paragraph (a). The ordinance changing the number of commission members must include a provision for maintaining staggered terms for commission members, provided that if the number of members is reduced, the reduction must be effected in such a manner that all incumbent members are permitted to serve their full terms. An ordinance adopted under this subdivision must not be effective until at least 45 days after its adoption.

(b) An ordinance reducing the size of the commission shall not take effect and the question of whether to reduce the size of the commission must be placed on the ballot at the next general or special election if: (1) within 45 days of the ordinance's adoption by the city council, a petition is filed with the city clerk requesting that a referendum be

held on reducing the size of the commission; and (2) the petition is signed by a number of eligible voters equal to at least 15 percent of the number of electors voting at the most recent general election. The ballot question shall be substantially stated as follows:

"Shall the size of the public utilities commission be reduced from ..... members to ..... members?"

The question shall be followed by the words "Yes" and "No" with an appropriate oval or similar target shape before each in which a voter may record a choice. If a majority of the votes cast on the question are in favor of reducing the size of the commission, the ordinance shall be considered approved and shall be effective immediately. If the majority of votes cast on the question are against reducing the size of the commission, the ordinance shall not take effect.

Sec. 10. Minnesota Statutes 2024, section 412.591, subdivision 3, is amended to read:

Subd. 3. **Audit standards if combined.** (a) If the offices of clerk and treasurer are combined as provided by this section, and the city's annual revenue for all governmental and enterprise funds combined is more than the amount in paragraph (b), the council shall provide for an annual audit of the city's financial affairs by the state auditor or a certified public accountant in accordance with minimum procedures prescribed by the state auditor. If the offices of clerk and treasurer are combined and the city's annual revenue for all governmental and enterprise funds combined is the amount in paragraph (b), or less, the council shall provide for an audit of the city's financial affairs by the state auditor or a certified public accountant in accordance with minimum audit procedures prescribed by the state auditor at least once every five years, which audit shall be for a one-year period to be determined at random by the person conducting the audit.

(b) For the purposes of paragraph (a), the amount in ~~2004~~ 2025 is ~~$150,000~~ $1,000,000, and ~~in 2005 and after, $150,000~~ is adjusted annually thereafter for inflation using the annual implicit price deflator for state and local expenditures as published by the United States Department of Commerce.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to audits performed for 2026 and thereafter.

Sec. 11. **[471.9994] LANDLORD-TENANT GUIDE.**

If a home rule charter city, statutory city, or town issues or renews a rental license, a registration or certificate of occupancy, or a similar document for purposes of allowing a dwelling unit to be occupied by a residential tenant, as defined in section 504B.001, subdivision 12, the city or town must provide the landlord, as defined in section 504B.001, subdivision 7, with a physical copy of the attorney general's landlord-tenant guide, as defined in section 504B.275, or, if the document is renewed or issued electronically, a link to the guide on the attorney general's website.

Sec. 12. Minnesota Statutes 2024, section 477A.017, subdivision 3, is amended to read:

Subd. 3. **Conformity.** (a) Other law to the contrary notwithstanding, in order to receive distributions under sections 477A.011 to 477A.03, or a special district aid program, counties ~~and~~, cities, towns, and special districts, must conform to the standards set in subdivision 2 in making all financial reports required to be made to the state auditor.

(b) For the purpose of this subdivision, "special district" has the meaning under section 6.465, subdivision 3.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to aid distributions on or after that date.

Sec. 13. **REPEALER.**

Minnesota Statutes 2024, sections 383C.07; and 383C.74, subdivisions 1, 2, 3, and 4, are repealed.

Sec. 14. **EFFECTIVE DATE.**

Except as otherwise specified, this article is effective the day following final enactment.

ARTICLE 2
SWIFT COUNTY: ORGANIZATION OF JOINT POWERS HOSPITAL DISTRICT

Section 1. Laws 1992, chapter 534, section 7, subdivision 1, is amended to read:

Subdivision 1. **Governing board.** The hospital district shall be governed by a board of directors of ~~at least nine and not more than 12~~ six voting members, elected as provided in subdivision 2. All members of the hospital board at the time the hospital district is organized shall continue in office until the members of the first board of the hospital district are elected and qualify. The hospital district may change the number of board members through the adoption and amendment of bylaws under section 10, subdivision 5.

Sec. 2. Laws 1992, chapter 534, section 7, subdivision 2, is amended to read:

Subd. 2. **Election.** ~~Three~~ Two directors shall be elected by the city council and ~~six~~ four directors shall be elected by the county board, unless otherwise provided in the bylaws under section 10, subdivision 5. ~~Up to three~~ Additional voting members and additional nonvoting members may be provided for in bylaws adopted pursuant to section ~~5~~ 10, subdivision 5. As nearly as possible, one-third of the members of the first board of directors shall be elected for a term to expire one year from the next December 31 following that election, one-third for a term to expire two years from that date, and one-third for a term to expire three years from that date. Each of the political subdivisions electing directors shall assign terms of office to each director according to these staggered terms. Successors to the first board members shall each be elected for terms of three years, and all members shall hold office until their successors are elected and qualify. Terms of office shall expire on December 31. In case of vacancy on the board of directors, whether due to death, removal from the district, inability to serve, resignation, removal by the entity that elected the director, or other cause, the majority of the governing body of the entity that elected the director whose position is vacant shall elect a director to fill such vacancy for the then unexpired term.

Sec. 3. Laws 1992, chapter 534, section 7, subdivision 3, is amended to read:

Subd. 3. **Compensation.** The members of the board of directors may receive compensation for their services as such and may be reimbursed for reasonable expenses necessarily incurred in the performance of their duties to the extent provided for in bylaws adopted pursuant to section ~~5~~ 10, subdivision 5.

Sec. 4. Laws 1992, chapter 534, section 8, subdivision 2, is amended to read:

Subd. 2. **Duties.** The officers shall have the duties specified in this subdivision and additional duties as set forth in bylaws adopted in accordance with section ~~5~~ 10, subdivision 5. The chair shall preside at all meetings of the board of directors and shall perform all duties usually incumbent upon such an officer. The vice-chair shall preside in the absence of the chair. The secretary shall record the minutes of all meetings of the board and be the custodian of all books and records of the district. The treasurer shall be the custodian of money received by the district and shall see that they are properly accounted for. The board may appoint deputies who shall perform any functions and duties of any officer, subject to the supervision and control of the officer.

Sec. 5. Laws 1992, chapter 534, section 10, subdivision 4, is amended to read:

Subd. 4. **Approval for sale or lease.** Nothing contained in this section ~~5~~ shall be construed to authorize the district or its board of directors to at any time sell, lease, or otherwise transfer the management, control or operation of the hospital, including nursing home or other facilities, except upon approval by a majority vote of the county board and the city council.

Sec. 6. Laws 1992, chapter 534, section 16, is amended to read:

Sec. 16. **LEASE OF FACILITIES TO NONPROFIT OR PUBLIC CORPORATION.**

Subject to section ~~5~~ 10, subdivision 4, the hospital district may lease hospital, nursing home, or other facilities to be run by a nonprofit or public corporation as community facilities. The facilities must be open to all residents of the community on equal terms. The district may lease related medical facilities to any person, firm, association, or corporation, at rent and on conditions agreed. The term of the lease must not exceed 30 years. The lessee may be granted an option to renew the lease for an additional term or to purchase the facilities. The terms of renewal or purchase must be provided for in the lease. The hospital district may by resolution of its governing body agree to pay to the lessee annually, and to include in each annual budget for hospital and nursing home purposes, a fixed compensation for services agreed to be performed by the lessee in running the hospital, nursing home, or other facilities as a community facility; for any investment by the lessee of its own funds or funds granted or contributed to it in the construction or equipment of the hospital, nursing home, or other facilities; and for any auxiliary services to be provided or made available by the lessee through other facilities owned or operated by it. Services other than those provided for in the lease agreement may be compensated at rates agreed upon later. The lease agreement must, however, require the lessee to pay a net rental not less than the amount required to pay the principal and interest when due on all revenue bonds issued by the hospital district to acquire, improve, and refinance the leased facilities, and to maintain the agreed revenue bond reserve. The lease agreement must not grant the lessee an option to purchase the facilities at a price less than the amount of the bonds issued and interest accrued on them, except bonds and accrued interest paid from the net rentals before the option is exercised.

To the extent that the facilities are leased under this section for use by persons in private medical or dental or similar practice or other private business, a tax on that use must be imposed just as though the user were the owner of the space. It must be collected as provided in Minnesota Statutes, section 272.01, subdivision 2.

Sec. 7. **EFFECTIVE DATE.**

This article is effective the day after the governing bodies of Swift County and the city of Benson comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3."

Delete the title and insert:

"A bill for an act relating to local government; modifying classification of certain public data; modifying authorized amounts for certain reimbursements; modifying threshold amount for certain audits; modifying requirements for publishing notice in a qualified newspaper; modifying organization provisions for certain special districts and commissions; modifying certain rental licensing provisions; amending Minnesota Statutes 2024, sections 13.43, subdivision 2; 117.036, subdivision 2; 222.37, subdivision 1; 331A.10, subdivision 2; 367.36, subdivision 1; 383C.035; 412.02, subdivision 3; 412.341, subdivision 1, by adding a subdivision; 412.591, subdivision 3; 477A.017, subdivision 3; Laws 1992, chapter 534, sections 7, subdivisions 1, 2, 3; 8, subdivision 2; 10, subdivision 4; 16; proposing coding for new law in Minnesota Statutes, chapter 471; repealing Minnesota Statutes 2024, sections 383C.07; 383C.74, subdivisions 1, 2, 3, 4."

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

The report was adopted.

Liebling and Scott from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 2233, A bill for an act relating to financial institutions; adopting the Uniform Special Deposits Act; proposing coding for new law in Minnesota Statutes, chapter 47.

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

The report was adopted.

Liebling and Scott from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 2354, A bill for an act relating to consumer protection; adding and modifying provisions governing Medicaid fraud; providing the attorney general certain subpoena and enforcement authority; providing criminal penalties; making conforming changes; appropriating money; amending Minnesota Statutes 2024, sections 8.16, subdivision 1; 256B.12; 609.52, subdivision 2; 628.26; proposing coding for new law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 2024, section 609.466.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Human Services Finance and Policy.

The report was adopted.

Liebling and Scott from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 2389, A bill for an act relating to insurance; authorizing certain data calls; providing for and regulating limited long-term care insurance; modifying various provisions governing automobile insurance; classifying certain data; providing penalties; making technical changes; amending Minnesota Statutes 2024, sections 45.027, subdivisions 1, 2, by adding a subdivision; 65B.02, subdivision 7; 65B.05; 65B.06, subdivisions 1, 2, 3; 65B.10, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 62A; repealing Minnesota Statutes 2024, section 65B.10, subdivision 3.

Reported the same back with the following amendments:

Page 3, after line 30, insert:

"Sec. 4. Minnesota Statutes 2024, section 60D.09, is amended by adding a subdivision to read:

Subd. 6. **Other violations.** If the commissioner believes a person has committed a violation of section 60D.17 that prevents the full understanding of the enterprise risk to the insurer by affiliates or by the insurance holding company system, the violation may serve as an independent basis for disapproving dividends or distributions and for placing the insurer under an order of supervision under chapter 60B.

Sec. 5. Minnesota Statutes 2024, section 60D.15, subdivision 4, is amended to read:

Subd. 4. **Control.** The term "control," including the terms "controlling," "controlled by," and "under common control with," means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or nonmanagement services, or otherwise, unless the power is the result of an official position with~~,~~ or corporate office held by~~, or court appointment of,~~ the person. Control is presumed to exist if any

person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing, ten percent or more of the voting securities of any other person. This presumption may be rebutted by a showing made in the manner provided by section 60D.19, subdivision 11, that control does not exist in fact. The commissioner may determine, after furnishing all persons in interest notice and opportunity to be heard and making specific findings of fact to support ~~such~~ the determination, that control exists in fact, notwithstanding the absence of a presumption to that effect.

Sec. 6. Minnesota Statutes 2024, section 60D.15, is amended by adding a subdivision to read:

Subd. 4c. **Group capital calculation instructions.** "Group capital calculation instructions" means the group capital calculation instructions adopted by the NAIC and as amended by the NAIC from time to time in accordance with procedures adopted by the NAIC.

Sec. 7. Minnesota Statutes 2024, section 60D.15, is amended by adding a subdivision to read:

Subd. 6b. **NAIC.** "NAIC" means the National Association of Insurance Commissioners.

Sec. 8. Minnesota Statutes 2024, section 60D.15, is amended by adding a subdivision to read:

Subd. 6c. **NAIC liquidity stress test framework.** "NAIC liquidity stress test framework" means a NAIC publication which includes a history of the NAIC's development of regulatory liquidity stress testing, the scope criteria applicable for a specific data year, and the liquidity stress test instructions and reporting templates for a specific data year, scope criteria, instructions, and reporting template being adopted by the NAIC, and as amended by the NAIC from time to time in accordance with the procedures adopted by the NAIC.

Sec. 9. Minnesota Statutes 2024, section 60D.15, subdivision 7, is amended to read:

Subd. 7. **Person.** A "person" is an individual, a corporation, a limited liability company, a partnership, an association, a joint stock company, a trust, an unincorporated organization, any similar entity or any combination of the foregoing acting in concert, but does not include any joint venture partnership exclusively engaged in owning, managing, leasing, or developing real or tangible personal property.

Sec. 10. Minnesota Statutes 2024, section 60D.15, is amended by adding a subdivision to read:

Subd. 7a. **Scope criteria.** "Scope criteria," as detailed in the NAIC liquidity stress test framework, means the designated exposure bases along with minimum magnitudes of the designated exposure bases for the specified data year that are used to establish a preliminary list of insurers considered scoped into the NAIC liquidity stress test framework for that data year.

Sec. 11. Minnesota Statutes 2024, section 60D.16, subdivision 2, is amended to read:

Subd. 2. **Additional investment authority.** In addition to investments in common stock, preferred stock, debt obligations, and other securities otherwise permitted under this chapter, a domestic insurer may also:

(a) Invest, in common stock, preferred stock, debt obligations, and other securities of one or more subsidiaries, amounts that do not exceed the lesser of ten percent of the insurer's assets or 50 percent of the insurer's surplus as regards policyholders, provided that after the investments, the insurer's surplus as regards policyholders ~~will be~~ is reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs. In calculating the amount of these investments, investments in domestic or foreign insurance subsidiaries and health maintenance organizations must be excluded, and there must be included:

(1) total net money or other consideration expended and obligations assumed in the acquisition or formation of a subsidiary, including all organizational expenses and contributions to capital and surplus of the subsidiary whether or not represented by the purchase of capital stock or issuance of other securities; and

(2) all amounts expended in acquiring additional common stock, preferred stock, debt obligations, and other securities; and all contributions to the capital or surplus~~,~~ of a subsidiary subsequent to its acquisition or formation.

(b) Invest any amount in common stock, preferred stock, debt obligations, and other securities of one or more subsidiaries engaged or organized to engage exclusively in the ownership and management of assets authorized as investments for the insurer provided that the subsidiary agrees to limit its investments in any asset so that the investments ~~will~~ do not cause the amount of the total investment of the insurer to exceed any of the investment limitations specified in paragraph (a) or other statutes applicable to the insurer. For the purpose of this paragraph, "the total investment of the insurer" includes:

(1) any direct investment by the insurer in an asset; and

(2) the insurer's proportionate share of any investment in an asset by any subsidiary of the insurer, which must be calculated by multiplying the amount of the subsidiary's investment by the percentage of the ownership of the subsidiary.

(c) With the approval of the commissioner, invest any greater amount in common stock, preferred stock, debt obligations, or other securities of one or more subsidiaries, if after the investment the insurer's surplus as regards policyholders ~~will be~~ is reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs.

Sec. 12. Minnesota Statutes 2024, section 60D.17, subdivision 1, is amended to read:

Subdivision 1. **Filing requirements.** (a) No person other than the issuer shall: (1) make a tender offer for or a request or invitation for tenders of, or enter into any agreement to exchange securities ~~or~~ for, seek to acquire, or acquire, in the open market or otherwise, any voting security of a domestic insurer if, after the consummation thereof, the person would, directly or indirectly, or by conversion or by exercise of any right to acquire, be in control of the insurer; or (2) enter into an agreement to merge with or otherwise to acquire control of a domestic insurer or any person controlling a domestic insurer unless, at the time the offer, request, or invitation is made or the agreement is entered into, or before the acquisition of the securities if no offer or agreement is involved, the person has filed with the commissioner and has sent to the insurer, a statement containing the information required by this section and the offer, request, invitation, agreement, or acquisition has been approved by the commissioner in the manner prescribed in this section.

(b) For purposes of this section, a controlling person of a domestic insurer seeking to divest its controlling interest in the domestic insurer, in any manner, shall file with the commissioner, with a copy to the insurer, confidential notice of its proposed divestiture at least 30 days before the cessation of control. The commissioner shall determine those instances in which the party or parties seeking to divest or to acquire a controlling interest in an insurer will be required to file for and obtain approval of the transaction. The information must remain confidential until the conclusion of the transaction unless the commissioner, in the commissioner's discretion, determines that confidential treatment interferes with the enforcement of this section. This paragraph does not apply if the statement referred to in paragraph (a) is otherwise filed.

(c) With respect to a transaction subject to this section, the acquiring person must also file a preacquisition notification with the commissioner, which must contain the information set forth in section 60D.18, subdivision 3, paragraph (b). A failure to file the notification may be subject to penalties specified in section 60D.18, subdivision 5.

(d) For purposes of this section, a domestic insurer includes a person controlling a domestic insurer unless the person, as determined by the commissioner, is either directly or through its affiliates primarily engaged in business other than the business of insurance. For the purposes of this section, "person" does not include any securities broker holding, in the usual and customary ~~brokers~~ broker's function, less than 20 percent of the voting securities of an insurance company or of any person that controls an insurance company.

~~(e) The statement filed with the commissioner pursuant to subdivisions 1 and 2 must remain confidential until the transaction is approved by the commissioner, except that all attachments filed with the statement remain confidential after the approval unless the commissioner, in the commissioner's discretion, determines that confidential treatment of any of this information will interfere with enforcement of this section.~~

Sec. 13. Minnesota Statutes 2024, section 60D.18, subdivision 3, is amended to read:

Subd. 3. **Preacquisition notification; waiting period.** (a) An acquisition covered by subdivision 2 may be subject to an order pursuant to subdivision ~~4~~ 5 unless the acquiring person files a preacquisition notification and the waiting period has expired. The acquired person may file a preacquisition notification. The commissioner shall give confidential treatment to information submitted under this section in the same manner as provided in section 60D.22.

(b) The preacquisition notification must be in the form and contain the information as prescribed by the National Association of Insurance Commissioners relating to those markets that, under subdivision 2, paragraph (b), clause ~~(5)~~ (4), cause the acquisition not to be exempted from the provisions of this section. The commissioner may require ~~the~~ additional material and information as the commissioner deems necessary to determine whether the proposed acquisition, if consummated, would violate the competitive standard of subdivision 4. The required information may include an opinion of an economist as to the competitive impact of the acquisition in this state accompanied by a summary of the education and experience of the person indicating that person's ability to render an informed opinion.

(c) The waiting period required begins on the date of receipt of the commissioner of a preacquisition notification and ends on the earlier of the 30th day after the date of its receipt, or termination of the waiting period by the commissioner. Before the end of the waiting period, the commissioner on a onetime basis may require the submission of additional needed information relevant to the proposed acquisition, in which event the waiting period shall end on the earlier of the 30th day after receipt of the additional information by the commissioner or termination of the waiting period by the commissioner.

Sec. 14. Minnesota Statutes 2024, section 60D.19, subdivision 4, is amended to read:

Subd. 4. **Materiality.** No information need be disclosed on the registration statement filed pursuant to subdivision 2 if the information is not material for the purposes of this section. Unless the commissioner by rule or order provides otherwise; sales, purchases, exchanges, loans or extensions of credit, investments, or guarantees involving one-half of one percent or less of an insurer's admitted assets as of the 31st day of December next preceding shall not be deemed material for purposes of this section. The definition of materiality provided in this subdivision does not apply for purposes of the group capital calculation or the NAIC liquidity stress test framework.

Sec. 15. Minnesota Statutes 2024, section 60D.19, is amended by adding a subdivision to read:

Subd. 11b. **Group capital calculation.** (a) Except as otherwise provided in this paragraph, the ultimate controlling person of every insurer subject to registration must concurrently file with the registration an annual group capital calculation as directed by the lead state insurance commissioner. The report must be completed in accordance with the NAIC group capital calculation instructions, which may permit the lead state insurance commissioner to allow a controlling person that is not the ultimate controlling person to file the group capital

calculation. The report must be filed with the lead state insurance commissioner of the insurance holding company system, as determined by the commissioner in accordance with the procedures within the Financial Analysis Handbook adopted by the NAIC. The following insurance holding company systems are exempt from filing the group capital calculation:

(1) an insurance holding company system that (i) has only one insurer within the insurance holding company system's holding company structure, (ii) only writes business and is only licensed in the insurance holding company system's domestic state, and (iii) assumes no business from any other insurer;

(2) an insurance holding company system that is required to perform a group capital calculation specified by the United States Federal Reserve Board. The lead state insurance commissioner must request the calculation from the Federal Reserve Board under the terms of information sharing agreements in effect. If the Federal Reserve Board is unable to share the calculation with the lead state insurance commissioner, the insurance holding company system is not exempt from the group capital calculation filing;

(3) an insurance holding company system whose non-United States groupwide supervisor is located within a reciprocal jurisdiction as described in section 60A.092, subdivision 10b, that recognizes the United States state regulatory approach to group supervision and group capital; or

(4) an insurance holding company system:

(i) that provides information to the lead state insurance commissioner that meets the requirements for accreditation under the NAIC financial standards and accreditation program, either directly or indirectly through the groupwide supervisor, that has determined the information is satisfactory to allow the lead state insurance commissioner to comply with the NAIC group supervision approach, as detailed in the NAIC Financial Analysis Handbook; and

(ii) whose non-United States groupwide supervisor that is not in a reciprocal jurisdiction recognizes and accepts, as specified by the commissioner in an administrative rule, the group capital calculation as the worldwide group capital assessment for United States insurance groups that operate in that jurisdiction.

(b) Notwithstanding paragraph (a), clauses (3) and (4), a lead state insurance commissioner must require the group capital calculation for the United States operations of any non-United States based insurance holding company system where, after any necessary consultation with other supervisors or officials, requiring the group capital calculation is deemed appropriate by the lead state insurance commissioner for prudential oversight and solvency monitoring purposes or for ensuring the competitiveness of the insurance marketplace.

(c) Notwithstanding the exemptions from filing the group capital calculation under paragraph (a), the lead state insurance commissioner may exempt the ultimate controlling person from filing the annual group capital calculation or accept a limited group capital filing or report in accordance with criteria specified by the commissioner in an administrative rule.

(d) If the lead state insurance commissioner determines that an insurance holding company system no longer meets one or more of the requirements for an exemption from filing the group capital calculation under this subdivision, the insurance holding company system must file the group capital calculation at the next annual filing date unless given an extension by the lead state insurance commissioner based on reasonable grounds shown.

Sec. 16. Minnesota Statutes 2024, section 60D.19, is amended by adding a subdivision to read:

Subd. 11c. **Liquidity stress test.** (a) The ultimate controlling person of every insurer subject to registration and also scoped into the NAIC liquidity stress test framework must file the results of a specific year's liquidity stress test. The filing must be made to the lead state insurance commissioner of the insurance holding company system, as determined by the procedures within the Financial Analysis Handbook adopted by the NAIC.

(b) The NAIC liquidity stress test framework includes scope criteria applicable to a specific data year. The scope criteria must be reviewed at least annually by the NAIC Financial Stability Task Force or the NAIC Financial Stability Task Force's successor. Any change made to the NAIC liquidity stress test framework or to the data year for which the scope criteria must be measured is effective January 1 of the year following the calendar year in which the change is adopted. An insurer meeting at least one threshold of the scope criteria is scoped into the NAIC liquidity stress test framework for the specified data year unless the lead state insurance commissioner, in consultation with the NAIC Financial Stability Task Force or the NAIC Financial Stability Task Force's successor, determines the insurer should not be scoped into the framework for that data year. An insurer that does not trigger at least one threshold of the scope criteria is scoped out of the NAIC liquidity stress test framework for the specified data year unless the lead state insurance commissioner, in consultation with the NAIC Financial Stability Task Force or the NAIC Financial Stability Task Force's successor, determines the insurer should be scoped into the framework for the specified data year.

(c) The commissioner and other state insurance commissioners must avoid scoping insurers in and out of the NAIC liquidity stress test framework on a frequent basis. The lead state insurance commissioner, in consultation with the NAIC Financial Stability Task Force or the NAIC Financial Stability Task Force's successor, must assess irregular scope status as part of an insurer's determination.

(d) The performance of and filing of the results from a specific year's liquidity stress test must comply with (1) the NAIC liquidity stress test framework's instructions and reporting templates for the specific year, and (2) any lead state insurance commissioner determinations, in consultation with the NAIC Financial Stability Task Force or the NAIC Financial Stability Task Force's successor, provided within the framework.

Sec. 17. **[60D.195] GROUP CAPITAL CALCULATION.**

Subdivision 1. **Annual group capital calculation; exemption permitted.** The lead state insurance commissioner may exempt the ultimate controlling person from filing the annual group capital calculation if the lead state insurance commissioner makes a determination that the insurance holding company system meets the following criteria:

(1) has annual direct written and unaffiliated assumed premium, including international direct and assumed premium but excluding premiums reinsured with the Federal Crop Insurance Corporation and Federal Flood Program, of less than $1,000,000,000;

(2) has no insurers within the insurance holding company's structure that are domiciled outside of the United States or a United States territory;

(3) has no banking, depository, or other financial entity that is subject to an identified regulatory capital framework within the insurance holding company's structure;

(4) attests that no material changes in the transactions between insurers and noninsurers in the group have occurred since the last annual group capital filing; and

(5) the noninsurers within the holding company system do not pose a material financial risk to the insurer's ability to honor policyholder obligations.

Subd. 2. **Limited group capital filing.** The lead state insurance commissioner may accept a limited group capital filing in lieu of the group capital calculation if:

(1) the insurance holding company system has annual direct written and unaffiliated assumed premium, including international direct and assumed premium but excluding premiums reinsured with the Federal Crop Insurance Corporation and Federal Flood Program, of less than $1,000,000,000; and

(2) the insurance holding company system:

(i) has no insurers within the insurance holding company's structure that are domiciled outside of the United States or a United States territory;

(ii) does not include a banking, depository, or other financial entity that is subject to an identified regulatory capital framework; and

(iii) attests that no material changes in transactions between insurers and noninsurers in the group have occurred and the noninsurers within the holding company system do not pose a material financial risk to the insurer's ability to honor policyholder obligations.

Subd. 3. **Previous exemption; required filing.** For an insurance holding company that has previously met an exemption with respect to the group capital calculation under subdivision 1 or 2, the lead state insurance commissioner may at any time require the ultimate controlling person to file an annual group capital calculation, completed in accordance with the NAIC group capital calculation instructions, if:

(1) an insurer within the insurance holding company system is in a risk-based capital action level event under section 60A.62 or a similar standard for a non-United States insurer;

(2) an insurer within the insurance holding company system meets one or more of the standards of an insurer deemed to be in hazardous financial condition, as defined under section 60E.02, subdivision 5; or

(3) an insurer within the insurance holding company system otherwise exhibits qualities of a troubled insurer, as determined by the lead state insurance commissioner based on unique circumstances, including but not limited to the type and volume of business written, ownership and organizational structure, federal agency requests, and international supervisor requests.

Subd. 4. **Non-United States jurisdictions; recognition and acceptance.** A non-United States jurisdiction is deemed to recognize and accept the group capital calculation if the non-United States jurisdiction:

(1) with respect to section 60D.19, subdivision 11b, paragraph (a), clause (4):

(i) recognizes the United States state regulatory approach to group supervision and group capital by providing confirmation by a competent regulatory authority in the non-United States jurisdiction that insurers and insurance groups whose lead state is accredited by the NAIC under the NAIC accreditation program: (A) are subject only to worldwide prudential insurance group supervision, including worldwide group governance, solvency and capital, and reporting, as applicable, by the lead state; and (B) are not subject to group supervision, including worldwide group governance, solvency and capital, and reporting, at the level of the worldwide parent undertaking of the insurance or reinsurance group by the non-United States jurisdiction; or

(ii) if no United States insurance group operates in the non-United States jurisdiction, indicates formally in writing to the lead state with a copy to the International Association of Insurance Supervisors that the group capital calculation is an acceptable international capital standard. The formal indication under this item serves as the documentation otherwise required under item (i); and

(2) provides confirmation by a competent regulatory authority in the non-United States jurisdiction that information regarding an insurer and the insurer's parent, subsidiary, or affiliated entities, if applicable, must be provided to the lead state insurance commissioner in accordance with a memorandum of understanding or similar document between the commissioner and the non-United States jurisdiction, including but not limited to the International Association of Insurance Supervisors Multilateral Memorandum of Understanding or other multilateral memoranda of understanding coordinated by the NAIC. The commissioner must determine, in consultation with the NAIC committee process, if the information sharing agreement requirements are effective.

Subd. 5. **Non-United States jurisdiction; publication.** (a) A list of non-United States jurisdictions that recognize and accept the group capital calculation under section 60D.19, subdivision 11b, paragraph (a), clause (4), must be published through the NAIC committee process to assist the lead state insurance commissioner determine what insurers must file an annual group capital calculation. The list must clarify the situations in which a jurisdiction is exempt from filing under section 60D.19, subdivision 11b, paragraph (a), clause (4). To assist with a determination under section 60D.19, subdivision 11b, paragraph (b), the list must also identify whether a jurisdiction that is exempt under section 60D.19, subdivision 11b, paragraph (a), clause (3) or (4), requires a group capital filing for any United States insurance group's operations in the non-United States jurisdiction.

(b) For a non-United States jurisdiction where no United States insurance group operates, the confirmation provided to comply with subdivision 4, clause (1), item (ii), serves as support for a recommendation to be published that the non-United States jurisdiction is a jurisdiction that recognizes and accepts the group capital calculation pursuant to the NAIC committee process.

(c) If the lead state insurance commissioner makes a determination pursuant to section 60D.19, subdivision 11b, that differs from the NAIC list, the lead state insurance commissioner must provide thoroughly documented justification to the NAIC and other states.

(d) Upon a determination by the lead state insurance commissioner that a non-United States jurisdiction no longer meets one or more of the requirements to recognize and accept the group capital calculation, the lead state insurance commissioner may provide a recommendation to the NAIC that the non-United States jurisdiction be removed from the list of jurisdictions that recognize and accept the group capital calculation.

Sec. 18. Minnesota Statutes 2024, section 60D.20, subdivision 1, is amended to read:

Subdivision 1. **Transactions within an insurance holding company system.** (a) Transactions within an insurance holding company system to which an insurer subject to registration is a party are subject to the following standards:

(1) the terms shall be fair and reasonable;

(2) agreements for cost-sharing services and management shall include the provisions required by rule issued by the commissioner;

(3) charges or fees for services performed shall be reasonable;

(4) expenses incurred and payment received shall be allocated to the insurer in conformity with customary insurance accounting practices consistently applied;

(5) the books, accounts, and records of each party to all such transactions shall be so maintained as to clearly and accurately disclose the nature and details of the transactions including this accounting information as is necessary to support the reasonableness of the charges or fees to the respective parties; ~~and~~

(6) the insurer's surplus as regards policyholders following any dividends or distributions to shareholder affiliates shall be reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs~~.~~;

(7) if the commissioner determines an insurer subject to this chapter is in a hazardous financial condition, as defined under section 60E.02, subdivision 5, or a condition that would be grounds for supervision, conservation, or a delinquency proceeding, the commissioner may require the insurer to secure and maintain either a deposit, held by the commissioner, or a bond, as determined by the insurer at the insurer's discretion, to protect the insurer for the duration of the contract, agreement, or the existence of the condition for which the commissioner required the deposit or bond. When determining whether a deposit or bond is required, the commissioner must consider whether concerns exist with respect to the affiliated person's ability to fulfill the contract or agreement if the insurer entered into liquidation. Once the insurer is deemed to be in a hazardous financial condition or a condition that would be grounds for supervision, conservation, or a delinquency proceeding, and a deposit or bond is necessary, the commissioner may determine the amount of the deposit or bond, not to exceed the value of the contract or agreement in any one year, and whether the deposit or bond is required for a single contract, multiple contracts, or a contract only with a specific person or persons;

(8) all of an insurer's records and data held by an affiliate are and remain the property of the insurer, are subject to control of the insurer, are identifiable, and are segregated or readily capable of segregation, at no additional cost to the insurer, from all other persons' records and data. For purposes of this clause, records and data include all records and data that are otherwise the property of the insurer in whatever form maintained, including but not limited to claims and claim files, policyholder lists, application files, litigation files, premium records, rate books, underwriting manuals, personnel records, financial records, or similar records within the affiliate's possession, custody, or control. At the request of the insurer, the affiliate must provide that the receiver may (i) obtain a complete set of all records of any type that pertain to the insurer's business, (ii) obtain access to the operating systems on which the data are maintained, (iii) obtain the software that runs the operating systems either through assumption of licensing agreements or otherwise, and (iv) restrict the use of the data by the affiliate if the affiliate is not operating the insurer's business. The affiliate must provide a waiver of any landlord lien or other encumbrance to provide the insurer access to all records and data in the event the affiliate defaults under a lease or other agreement; and

(9) premiums or other funds belonging to the insurer that are collected or held by an affiliate are the exclusive property of the insurer and are subject to the control of the insurer. Any right of offset in the event an insurer is placed into receivership is subject to chapter 576.

(b) The following transactions involving a domestic insurer and any person in its insurance holding company system, including amendments or modifications of affiliate agreements previously filed pursuant to this section, which are subject to any materiality standards contained in clauses (1) to (7), may not be entered into unless the insurer has notified the commissioner in writing of its intention to enter into the transaction at least 30 days prior thereto, or a shorter period the commissioner permits, and the commissioner has not disapproved it within this period. The notice for amendments or modifications must include the reasons for the change and the financial impact on the domestic insurer. Informal notice must be reported, within 30 days after a termination of a previously filed agreement, to the commissioner for determination of the type of filing required, if any:

(1) sales, purchases, exchanges, loans or extensions of credit, guarantees, or investments provided the transactions are equal to or exceed: (i) with respect to nonlife insurers, the lesser of three percent of the insurer's admitted assets, or 25 percent of surplus as regards policyholders; (ii) with respect to life insurers, three percent of the insurer's admitted assets; each as of the 31st day of December next preceding;

(2) loans or extensions of credit to any person who is not an affiliate, where the insurer makes the loans or extensions of credit with the agreement or understanding that the proceeds of the transactions, in whole or in substantial part, are to be used to make loans or extensions of credit to, to purchase assets of, or to make investments in, any affiliate of the insurer making such loans or extensions of credit provided the transactions are equal to or exceed: (i) with respect to nonlife insurers, the lesser of three percent of the insurer's admitted assets or 25 percent of surplus as regards policyholders; (ii) with respect to life insurers, three percent of the insurer's admitted assets; each as of the 31st day of December next preceding;

(3) reinsurance agreements or modifications to those agreements, including: (i) all reinsurance pooling agreements; and (ii) agreements in which the reinsurance premium or a change in the insurer's liabilities, or the projected reinsurance premium or a change in the insurer's liabilities in any of the next three years, equals or exceeds five percent of the insurer's surplus as regards policyholders, as of the 31st day of December next preceding, including those agreements which may require as consideration the transfer of assets from an insurer to a nonaffiliate, if an agreement or understanding exists between the insurer and nonaffiliate that any portion of ~~such~~ the assets will be transferred to one or more affiliates of the insurer;

(4) all management agreements, service contracts, tax allocation agreements, guarantees, and all cost-sharing arrangements;

(5) guarantees when made by a domestic insurer; provided, however, that a guarantee which is quantifiable as to amount is not subject to the notice requirements of this paragraph unless it exceeds the lesser of one-half of one percent of the insurer's admitted assets or ten percent of surplus as regards policyholders as of the 31st day of December next preceding. Further, all guarantees which are not quantifiable as to amount are subject to the notice requirements of this paragraph;

(6) direct or indirect acquisitions or investments in a person that controls the insurer or in an affiliate of the insurer in an amount which, together with its present holdings in the investments, exceeds 2-1/2 percent of the insurer's surplus to policyholders. Direct or indirect acquisitions or investments in subsidiaries acquired pursuant to section 60D.16, as otherwise authorized under this chapter, or in nonsubsidiary insurance affiliates that are subject to the provisions of sections 60D.15 to 60D.29, are exempt from this requirement; and

(7) any material transactions, specified by regulation, which the commissioner determines may adversely affect the interests of the insurer's policyholders.

Nothing contained in this section authorizes or permits any transactions that, in the case of an insurer not a member of the same insurance holding company system, would be otherwise contrary to law.

(c) A domestic insurer may not enter into transactions which are part of a plan or series of like transactions with persons within the insurance holding company system if the purpose of those separate transactions is to avoid the statutory threshold amount and thus avoid the review that would occur otherwise. If the commissioner determines that the separate transactions were entered into over any 12-month period for the purpose, the commissioner may exercise the authority under section 60D.25.

(d) The commissioner, in reviewing transactions pursuant to paragraph (b), shall consider whether the transactions comply with the standards set forth in paragraph (a), and whether they may adversely affect the interests of policyholders.

(e) The commissioner shall be notified within 30 days of any investment of the domestic insurer in any one corporation if the total investment in the corporation by the insurance holding company system exceeds ten percent of the corporation's voting securities.

(f) An affiliate that is party to an agreement or contract with a domestic insurer that is subject to paragraph (b), clause (4), is subject to the jurisdiction of any supervision, seizure, conservatorship, or receivership proceedings against the insurer and to the authority of a supervisor, conservator, rehabilitator, or liquidator for the insurer appointed pursuant to chapters 60B and 576 for the purpose of interpreting, enforcing, and overseeing the affiliate's obligations under the agreement or contract to perform services for the insurer that are: (1) an integral part of the insurer's operations, including but not limited to management, administrative, accounting, data processing, marketing, underwriting, claims handling, investment, or any other similar functions; or (2) essential to the insurer's ability to fulfill the insurer's obligations under insurance policies. The commissioner may require that an agreement or contract pursuant to paragraph (b), clause (4), to provide the services described in clauses (1) and (2) must specify that the affiliate consents to the jurisdiction as provided under this paragraph.

Sec. 19. Minnesota Statutes 2024, section 60D.217, is amended to read:

60D.217 GROUPWIDE SUPERVISION OF INTERNATIONALLY ACTIVE INSURANCE GROUPS.

(a) The commissioner is authorized to act as the groupwide supervisor for any internationally active insurance group in accordance with the provisions of this section. However, the commissioner may otherwise acknowledge another regulatory official as the groupwide supervisor where the internationally active insurance group:

(1) does not have substantial insurance operations in the United States;

(2) has substantial insurance operations in the United States, but not in this state; or

(3) has substantial insurance operations in the United States and this state, but the commissioner has determined pursuant to the factors set forth in ~~subsections~~ paragraphs (b) and (f) that the other regulatory official is the appropriate groupwide supervisor.

An insurance holding company system that does not otherwise qualify as an internationally active insurance group may request that the commissioner make a determination or acknowledgment as to a groupwide supervisor pursuant to this section.

(b) In cooperation with other state, federal, and international regulatory agencies, the commissioner ~~will~~ must identify a single groupwide supervisor for an internationally active insurance group. The commissioner may determine that the commissioner is the appropriate groupwide supervisor for an internationally active insurance group that conducts substantial insurance operations concentrated in this state. However, the commissioner may acknowledge that a regulatory official from another jurisdiction is the appropriate groupwide supervisor for the internationally active insurance group. The commissioner shall consider the following factors when making a determination or acknowledgment under this ~~subsection~~ paragraph:

(1) the place of domicile of the insurers within the internationally active insurance group that hold the largest share of the group's written premiums, assets, or liabilities;

(2) the place of domicile of the top-tiered ~~insurer(s)~~ insurer or insurers in the insurance holding company system of the internationally active insurance group;

(3) the location of the executive offices or largest operational offices of the internationally active insurance group;

(4) whether another regulatory official is acting or is seeking to act as the groupwide supervisor under a regulatory system that the commissioner determines to be:

(i) substantially similar to the system of regulation provided under the laws of this state; or

(ii) otherwise sufficient in terms of providing for groupwide supervision, enterprise risk analysis, and cooperation with other regulatory officials; and

(5) whether another regulatory official acting or seeking to act as the groupwide supervisor provides the commissioner with reasonably reciprocal recognition and cooperation.

However, a commissioner identified under this section as the groupwide supervisor may determine that it is appropriate to acknowledge another supervisor to serve as the groupwide supervisor. The acknowledgment of the groupwide supervisor shall be made after consideration of the factors listed in clauses (1) to (5), and shall be made in cooperation with and subject to the acknowledgment of other regulatory officials involved with supervision of members of the internationally active insurance group, and in consultation with the internationally active insurance group.

(c) Notwithstanding any other provision of law, when another regulatory official is acting as the groupwide supervisor of an internationally active insurance group, the commissioner shall acknowledge that regulatory official as the groupwide supervisor. However, in the event of a material change in the internationally active insurance group that results in:

(1) the internationally active insurance group's insurers domiciled in this state holding the largest share of the group's premiums, assets, or liabilities; or

(2) this state being the place of domicile of the top-tiered ~~insurer(s)~~ insurer or insurers in the insurance holding company system of the internationally active insurance group,

the commissioner shall make a determination or acknowledgment as to the appropriate groupwide supervisor for such an internationally active insurance group pursuant to ~~subsection~~ paragraph (b).

(d) Pursuant to section 60D.21, the commissioner is authorized to collect from any insurer registered pursuant to section 60D.19 all information necessary to determine whether the commissioner may act as the groupwide supervisor of an internationally active insurance group or if the commissioner may acknowledge another regulatory official to act as the groupwide supervisor. Prior to issuing a determination that an internationally active insurance group is subject to groupwide supervision by the commissioner, the commissioner shall notify the insurer registered pursuant to section 60D.19 and the ultimate controlling person within the internationally active insurance group. The internationally active insurance group shall have not less than 30 days to provide the commissioner with additional information pertinent to the pending determination. The commissioner shall publish in the State Register and on the department's website the identity of internationally active insurance groups that the commissioner has determined are subject to groupwide supervision by the commissioner.

(e) If the commissioner is the groupwide supervisor for an internationally active insurance group, the commissioner is authorized to engage in any of the following groupwide supervision activities:

(1) assess the enterprise risks within the internationally active insurance group to ensure that:

(i) the material financial condition and liquidity risks to the members of the internationally active insurance group that are engaged in the business of insurance are identified by management; and

(ii) reasonable and effective mitigation measures are in place; or

(2) request, from any member of an internationally active insurance group subject to the commissioner's supervision, information necessary and appropriate to assess enterprise risk, including but not limited to information about the members of the internationally active insurance group regarding:

(i) governance, risk assessment, and management;

(ii) capital adequacy; and

(iii) material intercompany transactions;

(3) coordinate and, through the authority of the regulatory officials of the jurisdictions where members of the internationally active insurance group are domiciled, compel development and implementation of reasonable measures designed to ensure that the internationally active insurance group is able to timely recognize and mitigate enterprise risks to members of ~~such~~ the internationally active insurance group that are engaged in the business of insurance;

(4) communicate with other state, federal and international regulatory agencies for members within the internationally active insurance group and share relevant information subject to the confidentiality provisions of section 60D.22, through supervisory colleges as set forth in section 60D.215 or otherwise;

(5) enter into agreements with or obtain documentation from any insurer registered under section 60D.19, any member of the internationally active insurance group, and any other state, federal, and international regulatory agencies for members of the internationally active insurance group, providing the basis for or otherwise clarifying the commissioner's role as groupwide supervisor, including provisions for resolving disputes with other regulatory officials. ~~Such~~ Agreements or documentation under this clause shall not serve as evidence in any proceeding that any insurer or person within an insurance holding company system not domiciled or incorporated in this state is doing business in this state or is otherwise subject to jurisdiction in this state; and

(6) other groupwide supervision activities, consistent with the authorities and purposes enumerated above, as considered necessary by the commissioner.

(f) If the commissioner acknowledges that another regulatory official from a jurisdiction that is not accredited by the NAIC is the groupwide supervisor, the commissioner is authorized to reasonably cooperate, through supervisory colleges or otherwise, with groupwide supervision undertaken by the groupwide supervisor, provided that:

(1) the commissioner's cooperation is in compliance with the laws of this state; and

(2) the regulatory official acknowledged as the groupwide supervisor also recognizes and cooperates with the commissioner's activities as a groupwide supervisor for other internationally active insurance groups where applicable. Where ~~such~~ recognition and cooperation by the groupwide supervisor is not reasonably reciprocal, the commissioner is authorized to refuse recognition and cooperation.

(g) The commissioner is authorized to enter into agreements with or obtain documentation from any insurer registered under section 60D.19, any affiliate of the insurer, and other state, federal, and international regulatory agencies for members of the internationally active insurance group, that provide the basis for or otherwise clarify a regulatory official's role as groupwide supervisor.

(h) A registered insurer subject to this section shall be liable for and shall pay the reasonable expenses of the commissioner's participation in the administration of this section, including the engagement of attorneys, actuaries, and any other professionals and all reasonable travel expenses.

Sec. 20. Minnesota Statutes 2024, section 60D.22, subdivision 1, is amended to read:

Subdivision 1. **Classification protection and use of information by commissioner.** (a) Documents, materials, or other information in the possession or control of the department that are obtained by or disclosed to the commissioner or any other person in the course of an examination or investigation made pursuant to section 60D.21 and all information reported pursuant to sections 60D.17, except as provided in section 60D.17, subdivision 1, paragraph (e); ~~60D.18;~~ 60D.19; ~~and~~ 60D.20~~,~~; and 60D.217, are classified as confidential or protected nonpublic or both, are not subject to subpoena, and are not subject to discovery or admissible in evidence in a private civil action. However, the commissioner may use the documents, materials, or other information in the furtherance of any regulatory or legal action brought as a part of the commissioner's official duties. The commissioner shall not otherwise make the documents, materials, or other information public without the prior written consent of the insurer to which it pertains unless the commissioner, after giving the insurer and its affiliates who would be affected by this action notice and opportunity to be heard, determines that the interest of policyholders, shareholders, or the public ~~will be~~ is served by the publication of it, in which event the commissioner may publish all or any part in the manner the commissioner deems appropriate.

(b) For purposes of the information reported and provided to the department pursuant to section 60D.19, subdivision 11b, the commissioner must maintain the confidentiality of the group capital calculation and group capital ratio produced within the calculation and any group capital information received from an insurance holding company supervised by the Federal Reserve Board or any United States groupwide supervisor.

(c) For purposes of the information reported and provided to the department pursuant to section 60D.19, subdivision 11c, the commissioner must maintain the confidentiality of the liquidity stress test results and supporting disclosures and any liquidity stress test information received from an insurance holding company supervised by the Federal Reserve Board and non-United States groupwide supervisors.

Sec. 21. Minnesota Statutes 2024, section 60D.22, subdivision 3, is amended to read:

Subd. 3. **Sharing of information.** In order to assist in the performance of the commissioner's duties, the commissioner:

(1) may share documents, materials, or other information, including the confidential, protected nonpublic, and privileged documents, materials, or information subject to this section, including proprietary and trade secret documents and materials, with: (i) other state, federal, and international regulatory agencies~~, with~~; (ii) the NAIC ~~and its affiliates and subsidiaries,~~; (iii) any third-party consultants designated by the commissioner; and ~~with~~ (iv) state, federal, and international law enforcement authorities, including members of any supervisory college described in section 60D.215, provided that the recipient agrees in writing to maintain the confidentiality and privileged status of the document, material, or other information, and has verified in writing the legal authority to maintain confidentiality;

(2) notwithstanding clause (1), may only share confidential, protected nonpublic, and privileged documents, materials, or information reported pursuant to section 60D.19, subdivision 11a, with commissioners of states having statutes or regulations substantially similar to subdivision 1 and who have agreed in writing not to disclose this information;

(3) may receive documents, materials, or information, including otherwise confidential and privileged documents, materials, or information from the NAIC and ~~its~~ the NAIC's affiliates and subsidiaries and from regulatory and law enforcement officials of other foreign or domestic jurisdictions, and shall maintain as confidential, protected nonpublic, or privileged any document, material, or information received with notice or the understanding that it is confidential or privileged under the laws of the jurisdiction that is the source of the document, material, or information; and

(4) shall enter into written agreements with the NAIC and a third-party consultant designated by the commissioner governing sharing and use of information provided pursuant to sections 60D.15 to 60D.29 consistent with this clause that shall:

(i) specify procedures and protocols regarding the confidentiality and security of information shared with the NAIC ~~and its affiliates and subsidiaries~~ or a third-party consultant designated by the commissioner pursuant to sections 60D.15 to 60D.29, including procedures and protocols for sharing by the NAIC with other state, federal, or international regulators. The agreement must provide that the recipient agrees in writing to maintain the confidentiality and privileged status of the documents, materials, or other information, and has verified in writing the legal authority to maintain confidentiality;

(ii) specify that ownership of information shared with the NAIC ~~and its affiliates and subsidiaries~~ or a third-party consultant pursuant to sections 60D.15 to 60D.29 remains with the commissioner and the NAIC's or a third-party consultant's, as designated by the commissioner, use of the information is subject to the direction of the commissioner;

(iii) excluding documents, material, or information reported pursuant to section 60D.19, subdivision 11c, prohibit the NAIC or a third-party consultant designated by the commissioner from storing the information shared pursuant to sections 60D.15 to 60D.29 in a permanent database after the underlying analysis is completed;

~~(iii)~~ (iv) require prompt notice to be given to an insurer whose confidential or protected nonpublic information in the possession of the NAIC or a third-party consultant designated by the commissioner pursuant to sections 60D.15 to 60D.29 is subject to a request or subpoena to the NAIC or a third-party consultant designated by the commissioner for disclosure or production; ~~and~~

~~(iv)~~ (v) require the NAIC ~~and its affiliates and subsidiaries~~ or a third-party consultant designated by the commissioner to consent to intervention by an insurer in any judicial or administrative action in which the NAIC ~~and its affiliates and subsidiaries~~ or a third-party consultant designated by the commissioner may be required to disclose confidential or protected nonpublic information about the insurer shared with the NAIC ~~and its affiliates and subsidiaries~~ or a third-party consultant designated by the commissioner pursuant to sections 60D.15 to 60D.29~~.~~; and

(vi) for documents, material, or information reported pursuant to section 60D.19, subdivision 11c, in the case of an agreement involving a third-party consultant, provide for notification of the identity of the consultant to the applicable insurers.

Sec. 22. Minnesota Statutes 2024, section 60D.22, subdivision 6, is amended to read:

Subd. 6. **Classification protection and use by others.** Documents, materials, or other information in the possession or control of the NAIC or a third-party consultant designated by the commissioner pursuant to sections 60D.15 to 60D.29 are confidential, protected nonpublic, or privileged, are not subject to subpoena, and are not subject to discovery or admissible in evidence in a private civil action.

Sec. 23. Minnesota Statutes 2024, section 60D.22, is amended by adding a subdivision to read:

Subd. 7. **Certain disclosures or publication prohibited.** (a) The group capital calculation and resulting group capital ratio required under section 60D.19, subdivision 11b, and the liquidity stress test along with the liquidity stress test's results and supporting disclosures required under section 60D.19, subdivision 11c, are regulatory tools to assess group risks and capital adequacy and group liquidity risks, respectively, and are not intended as a means to rank insurers or insurance holding company systems generally.

(b) Except as otherwise required under sections 60D.09 to 60D.29, making, publishing, disseminating, circulating, or placing before the public, or causing directly or indirectly to be made, published, disseminated, circulated, or placed before the public in a newspaper, magazine, or other publication, or in the form of a notice, circular, pamphlet, letter, or poster, or over any radio, television station, or any electronic means of communication available to the public, or in any other way as an advertisement, announcement, or statement containing a representation or statement with regard to the group capital calculation, group capital ratio, the liquidity stress test results, or supporting disclosures for the liquidity stress test of any insurer or any insurer group, or of any component derived in the calculation by any insurer, broker, or other person engaged in any manner in the insurance business is misleading and is prohibited.

(c) Notwithstanding paragraph (b), an insurer may publish an announcement in a written publication if any materially false statement with respect to the group capital calculation, resulting group capital ratio, an inappropriate comparison of any amount to an insurer's or insurance group's group capital calculation or resulting group capital ratio, liquidity stress test result, supporting disclosures for the liquidity stress test, or an inappropriate comparison of any amount to an insurer's or insurance group's liquidity stress test result or supporting disclosures is published in any written publication and the insurer is able to demonstrate to the commissioner with substantial proof the statement's falsity or inappropriateness. The sole purpose of an announcement under this paragraph must be to rebut the materially false statement.

Sec. 24. Minnesota Statutes 2024, section 60D.24, subdivision 2, is amended to read:

Subd. 2. **Voting of securities; when prohibited.** No security that is the subject of any agreement or arrangement regarding acquisition, or that is acquired or to be acquired, in contravention of the provisions of this chapter or of any rule or order issued by the commissioner may be voted at any shareholder's meeting, or may be counted for quorum purposes, and any action of shareholders requiring the affirmative vote of a percentage of shares may be taken as though the securities were not issued and outstanding. No action taken at the meeting shall be invalidated by the voting of the securities, unless the action would materially affect control of the insurer or unless the courts of this state have so ordered. If an insurer or the commissioner has reason to believe that any security of the insurer has been or is about to be acquired in contravention of the provisions of this chapter or of any rule or order issued by the commissioner, the insurer or the commissioner may apply to the district court for the county in which the insurer has its principal place of business to enjoin any offer, request, invitation, agreement, or acquisition made in contravention of section ~~60D.16~~ 60D.17 or any rule or order issued by the commissioner to enjoin the voting of any security so acquired, to void any vote of the security already cast at any meeting of shareholders and for other equitable relief as the nature of the case and the interest of the insurer's policyholders or the public requires.

Sec. 25. Minnesota Statutes 2024, section 60D.25, is amended to read:

60D.25 RECEIVERSHIP.

Whenever it appears to the commissioner that any person has committed a violation of this chapter that so impairs the financial condition of a domestic insurer as to threaten insolvency or make the further transaction of business by it hazardous to its policyholders, creditors, shareholders, or the public, ~~then~~ the commissioner may proceed as provided in chapter 60B to take possessions of the property of the domestic insurer and to conduct the business of ~~that~~ the domestic insurer."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the second semicolon insert "establishing group capital calculations for insurers; requiring insurers to complete a NAIC liquidity stress test; requiring insurers to file group capital calculations and results from the NAIC liquidity stress test; requiring insurers to secure a deposit or bond;"

Correct the title numbers accordingly

With the recommendation that when so amended the bill be re-referred to the Committee on Commerce Finance and Policy.

The report was adopted.

Her and O'Driscoll from the Committee on Commerce Finance and Policy to which was referred:

H. F. No. 2403, A bill for an act relating to insurance; modifying Medicare supplement benefits; modifying provisions governing renewability and discontinuation of health plans; amending Minnesota Statutes 2024, sections 62A.31, subdivisions 1r, 1w; 62A.65, subdivisions 1, 2, by adding a subdivision; 62D.12, subdivisions 2, 2a; 62D.121, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
FINANCIAL INSTITUTIONS

Section 1. Minnesota Statutes 2024, section 46A.04, is amended to read:

46A.04 EXCEPTIONS AND EXEMPTIONS.

(a) The requirements under section 46A.03, subdivisions 3, paragraph (b); 5, paragraph ~~(a)~~ (b); 9; and 10, do not apply to financial institutions that maintain customer information concerning fewer than 5,000 consumers.

(b) This chapter does not apply to credit unions or federally insured depository institutions.

Sec. 2. Minnesota Statutes 2024, section 47.20, subdivision 2, is amended to read:

Subd. 2. **Definitions.** For the purposes of this section the terms defined in this subdivision have the meanings given them:

(1) "Actual closing costs" mean reasonable charges for or sums paid for the following, whether or not retained by the mortgagee or lender:

(a) Any insurance premiums including but not limited to premiums for title insurance, fire and extended coverage insurance, flood insurance, and private mortgage insurance, but excluding any charges or sums retained by the mortgagee or lender as self-insured retention.

(b) Abstracting, title examination and search, and examination of public records.

(c) The preparation and recording of any or all documents required by law or custom for closing a conventional or cooperative apartment loan.

(d) Appraisal and survey of real property securing a conventional loan or real property owned by a cooperative apartment corporation of which a share or shares of stock or a membership certificate or certificates are to secure a cooperative apartment loan.

(e) A single service charge, which includes any consideration, not otherwise specified herein as an "actual closing cost" paid by the borrower and received and retained by the lender for or related to the acquisition, making, refinancing or modification of a conventional or cooperative apartment loan, and also includes any consideration received by the lender for making a borrower's interest rate commitment or for making a borrower's loan commitment, whether or not an actual loan follows the commitment. The term service charge does not include forward commitment fees. The service charge shall not exceed one percent of the original bona fide principal amount of the conventional or cooperative apartment loan, except that in the case of a construction loan, the service charge shall not exceed two percent of the original bona fide principal amount of the loan. That portion of the service charge imposed because the loan is a construction loan shall be itemized and a copy of the itemization furnished the borrower. A lender shall not collect from a borrower the additional one percent service charge permitted for a construction loan if it does not perform the service for which the charge is imposed or if third parties perform and charge the borrower for the service for which the lender has imposed the charge. A loan that meets the Federal Qualified Mortgage standards in Code of Federal Regulations, title 12, section 1026.43(e)(3), is exempt from the service charge limitations of this section.

(f) Charges and fees necessary for or related to the transfer of real or personal property securing a conventional or cooperative apartment loan or the closing of a conventional or cooperative apartment loan paid by the borrower and received by any party other than the lender.

(2) "Contract for deed" means an executory contract for the conveyance of real estate, the original principal amount of which is less than $300,000. A commitment for a contract for deed shall include an executed purchase agreement or earnest money contract wherein the seller agrees to finance any part or all of the purchase price by a contract for deed.

(3) "Conventional loan" means a loan or advance of credit, other than a loan or advance of credit made by a credit union or made pursuant to section 334.011, to a noncorporate borrower in an original principal amount of less than or equal to the conforming loan limit established by the Federal Housing Finance Agency under the Housing and Recovery Act of 2018, Public Law 110-289, secured by a mortgage upon real property containing one or more residential units or upon which at the time the loan is made it is intended that one or more residential units are to be constructed, and which is not insured or guaranteed by the secretary of housing and urban development, by the administrator of veterans affairs, or by the administrator of the Farmers Home Administration, and which is not made pursuant to the authority granted in subdivision 1, clause (3) or (4). The term mortgage does not include contracts for deed or installment land contracts.

(4) "Cooperative apartment loan" means a loan or advance of credit, other than a loan or advance of credit made by a credit union or made pursuant to section 334.011, to a noncorporate borrower in an original principal amount of less than $100,000, secured by a security interest on a share or shares of stock or a membership certificate or certificates issued to a stockholder or member by a cooperative apartment corporation, which may be accompanied by an assignment by way of security of the borrower's interest in the proprietary lease or occupancy agreement in property issued by the cooperative apartment corporation and which is not insured or guaranteed by the secretary of housing and urban development, by the administrator of veterans affairs, or by the administrator of the Farmers Home Administration.

(5) "Cooperative apartment corporation" means a corporation or cooperative organized under chapter 308A or 317A, the shareholders or members of which are entitled, solely by reason of their ownership of stock or membership certificates in the corporation or association, to occupy one or more residential units in a building owned or leased by the corporation or association.

(6) "Forward commitment fee" means a fee or other consideration paid to a lender for the purpose of securing a binding forward commitment by or through the lender to make conventional loans to two or more credit worthy purchasers, including future purchasers, of residential units, or a fee or other consideration paid to a lender for the purpose of securing a binding forward commitment by or through the lender to make conventional loans to two or more credit worthy purchasers, including future purchasers, of units to be created out of existing structures pursuant to chapter 515B, or a fee or other consideration paid to a lender for the purpose of securing a binding forward commitment by or through the lender to make cooperative apartment loans to two or more credit worthy purchasers, including future purchasers, of a share or shares of stock or a membership certificate or certificates in a cooperative apartment corporation; provided, that the forward commitment rate of interest does not exceed the maximum lawful rate of interest effective as of the date the forward commitment is issued by the lender.

(7) "Borrower's interest rate commitment" means a binding commitment made by a lender to a borrower wherein the lender agrees that, if a conventional or cooperative apartment loan is made following issuance of and pursuant to the commitment, the conventional or cooperative apartment loan shall be made at a rate of interest not in excess of the rate of interest agreed to in the commitment, provided that the rate of interest agreed to in the commitment is not in excess of the maximum lawful rate of interest effective as of the date the commitment is issued by the lender to the borrower.

(8) "Borrower's loan commitment" means a binding commitment made by a lender to a borrower wherein the lender agrees to make a conventional or cooperative apartment loan pursuant to the provisions, including the interest rate, of the commitment, provided that the commitment rate of interest does not exceed the maximum lawful rate of interest effective as of the date the commitment is issued and the commitment when issued and agreed to shall constitute a legally binding obligation on the part of the mortgagee or lender to make a conventional or cooperative apartment loan within a specified time period in the future at a rate of interest not exceeding the maximum lawful rate of interest effective as of the date the commitment is issued by the lender to the borrower; provided that a lender who issues a borrower's loan commitment pursuant to the provisions of a forward commitment is authorized to issue the borrower's loan commitment at a rate of interest not to exceed the maximum lawful rate of interest effective as of the date the forward commitment is issued by the lender.

(9) "Finance charge" means the total cost of a conventional or cooperative apartment loan including extensions or grant of credit regardless of the characterization of the same and includes interest, finders fees, and other charges levied by a lender directly or indirectly against the person obtaining the conventional or cooperative apartment loan or against a seller of real property securing a conventional loan or a seller of a share or shares of stock or a membership certificate or certificates in a cooperative apartment corporation securing a cooperative apartment loan, or any other party to the transaction except any actual closing costs and any forward commitment fee. The finance charges plus the actual closing costs and any forward commitment fee, charged by a lender shall include all charges made by a lender other than the principal of the conventional or cooperative apartment loan. The finance charge, with respect to wraparound mortgages, shall be computed based upon the face amount of the wraparound mortgage note, which face amount shall consist of the aggregate of those funds actually advanced by the wraparound lender and the total outstanding principal balances of the prior note or notes which have been made a part of the wraparound mortgage note.

(10) "Lender" means any person making a conventional or cooperative apartment loan, or any person arranging financing for a conventional or cooperative apartment loan. The term also includes the holder or assignee at any time of a conventional or cooperative apartment loan.

(11) "Loan yield" means the annual rate of return obtained by a lender over the term of a conventional or cooperative apartment loan and shall be computed as the annual percentage rate as computed in accordance with sections 226.5 (b), (c), and (d) of Regulation Z, Code of Federal Regulations, title 12, part 226, but using the definition of finance charge provided for in this subdivision. For purposes of this section, with respect to wraparound mortgages, the rate of interest or loan yield shall be based upon the principal balance set forth in the wraparound note and mortgage and shall not include any interest differential or yield differential between the stated interest rate on the wraparound mortgage and the stated interest rate on the one or more prior mortgages included in the stated loan amount on a wraparound note and mortgage.

(12) "Person" means an individual, corporation, business trust, partnership or association or any other legal entity.

(13) "Residential unit" means any structure used principally for residential purposes or any portion thereof, and includes a unit in a common interest community, a nonowner occupied residence, and any other type of residence regardless of whether the unit is used as a principal residence, secondary residence, vacation residence, or residence of some other denomination.

(14) "Vendor" means any person or persons who agree to sell real estate and finance any part or all of the purchase price by a contract for deed. The term also includes the holder or assignee at any time of the vendor's interest in a contract for deed.

Sec. 3. Minnesota Statutes 2024, section 47.20, subdivision 4a, is amended to read:

Subd. 4a. **Maximum interest rate.** (a) No conventional or cooperative apartment loan or contract for deed shall be made at a rate of interest or loan yield in excess of a maximum lawful interest rate in an amount equal to the ~~Federal National Mortgage Association posted yields on 30-year mortgage commitments for delivery within 60 days on standard conventional fixed-rate mortgages published in the Wall Street Journal for the last business day of the second preceding month~~ average prime offer rate, as defined in Code of Federal Regulations, title 12, section 1026.35(a)(2), that applies to a comparable transaction, as most recently published by the United States Consumer Financial Protection Bureau on the last date the discounted interest rate for the transaction is set before consummation, plus four percentage points. If the index is not available, a substitute index may be adopted by a commissioner order.

(b) The maximum lawful interest rate applicable to a cooperative apartment loan or contract for deed at the time the loan or contract is made is the maximum lawful interest rate for the term of the cooperative apartment loan or contract for deed. Notwithstanding the provisions of section 334.01, a cooperative apartment loan or contract for deed may provide, at the time the loan or contract is made, for the application of specified different consecutive periodic interest rates to the unpaid principal balance, if no interest rate exceeds the maximum lawful interest rate applicable to the loan or contract at the time the loan or contract is made.

(c) The maximum interest rate that can be charged on a conventional loan or a contract for deed, with a duration of ten years or less, for the purchase of real estate described in section 83.20, subdivisions 11 and 13, is three percentage points above the rate permitted under paragraph (a) or 15.75 percent per year, whichever is less. ~~This paragraph is effective August 1, 1992.~~

(d) Contracts for deed executed pursuant to a commitment for a contract for deed, or conventional or cooperative apartment loans made pursuant to a borrower's interest rate commitment or made pursuant to a borrower's loan commitment, or made pursuant to a commitment for conventional or cooperative apartment loans made upon payment of a forward commitment fee including a borrower's loan commitment issued pursuant to a forward commitment, which commitment provides for consummation within some future time following the issuance of the commitment may be consummated pursuant to the provisions, including the interest rate, of the commitment

notwithstanding the fact that the maximum lawful rate of interest at the time the contract for deed or conventional or cooperative apartment loan is actually executed or made is less than the commitment rate of interest, provided the commitment rate of interest does not exceed the maximum lawful interest rate in effect on the date the commitment was issued. The refinancing of: (1) an existing conventional or cooperative apartment loan, (2) a loan insured or guaranteed by the secretary of housing and urban development, the administrator of veterans affairs, or the administrator of the Farmers Home Administration, or (3) a contract for deed by making a conventional or cooperative apartment loan is deemed to be a new conventional or cooperative apartment loan for purposes of determining the maximum lawful rate of interest under this subdivision. The renegotiation of a conventional or cooperative apartment loan or a contract for deed is deemed to be a new loan or contract for deed for purposes of paragraph (b) and for purposes of determining the maximum lawful rate of interest under this subdivision. A borrower's interest rate commitment or a borrower's loan commitment is deemed to be issued on the date the commitment is hand delivered by the lender to, or mailed to the borrower. A forward commitment is deemed to be issued on the date the forward commitment is hand delivered by the lender to, or mailed to the person paying the forward commitment fee to the lender, or to any one of them if there should be more than one. A commitment for a contract for deed is deemed to be issued on the date the commitment is initially executed by the contract for deed vendor or the vendor's authorized agent.

(e) A contract for deed executed pursuant to a commitment for a contract for deed, or a loan made pursuant to a borrower's interest rate commitment, or made pursuant to a borrower's loan commitment, or made pursuant to a forward commitment for conventional or cooperative apartment loans made upon payment of a forward commitment fee including a borrower's loan commitment issued pursuant to a forward commitment at a rate of interest not in excess of the rate of interest authorized by this subdivision at the time the commitment was made continues to be enforceable in accordance with its terms until the indebtedness is fully satisfied.

Sec. 4. Minnesota Statutes 2024, section 47.20, subdivision 8, is amended to read:

Subd. 8. **Conventional loan provisions.** (a) A lender making a conventional loan shall comply with the following:

(1) the promissory note and mortgage evidencing a conventional loan shall be printed in not less than the equivalent of 8-point type, .075 inch computer type, or elite-size typewritten numerals, or shall be legibly handwritten.;

(2) the mortgage evidencing a conventional loan shall contain a provision whereby the lender agrees to furnish the borrower with a conformed copy of the promissory note and mortgage at the time they are executed or within a reasonable time after recordation of the mortgage.; and

(3) the mortgage evidencing a conventional loan shall contain a provision whereby the lender, if it intends to foreclose, agrees to give the borrower written notice of any default under the terms or conditions of the promissory note or mortgage, by sending the notice by certified: (i) first-class mail to the address of the mortgaged property or such other a different address as the borrower may have designated designates in writing to the lender; or (ii) email or other electronic communication, if agreed to by the lender and the borrower in writing. The lender need not give the borrower the notice required by this paragraph clause if the default consists of the borrower selling the mortgaged property without the required consent of the lender.

(b) The mortgage shall further provide that the notice under paragraph (a), clause (3), shall contain the following provisions:

(a) (1) the nature of the default by the borrower;

(b) (2) the action required to cure the default;

~~(c)~~ (3) a date, not less than 30 days from the date the notice is mailed by which the default must be cured;

~~(d)~~ (4) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by the mortgage and sale of the mortgaged premises;

~~(e)~~ (5) that the borrower has the right to reinstate the mortgage after acceleration; and

~~(f)~~ (6) that the borrower has the right to bring a court action to assert the nonexistence of a default or any other defense of the borrower to acceleration and sale.

Sec. 5. Minnesota Statutes 2024, section 47.77, is amended to read:

47.77 TRANSFER OF ACCOUNTS PROHIBITED; NOTICE ON CLOSING.

(a) No financial institution shall initiate a transfer of a deposit account to another deposit account bearing different identification information without sending at least 30 days' prior notice to at least one of the deposit account holders at the last known address on file with the financial institution. If the new account is subject to different terms, the financial institution must obtain the written consent of at least one of the deposit account holders before the new terms become effective.

(b) No financial institution shall initiate a closure of a deposit account without first sending at least one of the deposit account holders a notice of intent to close the deposit account. The notice must be sent to the deposit account holder's last known address on file with the financial institution at least 30 days before the financial institution closes the deposit account~~;~~, except that~~,~~ if the financial institution has reasonable suspicion to believe that account is being used in connection with a check-related fraud or other crime ~~or that,~~ funds will not be available to pay items drawn on the account, or the deposit account holder has engaged in harassment, as defined in section 609.749, subdivision 2, paragraph (c), toward financial institution employees or customers, the notice may be sent the same day as the account is closed.

(c) As used in this section, the following terms have the meanings given them. "Deposit account" means a contract of deposit of funds between a depositor and a financial institution, and includes a checking account, savings account, certificate of deposit share account, and other like arrangement. "Financial institution" means any organization authorized to do business under state or federal laws relating to financial institutions, including, without limitation, banks and trust companies, savings banks, savings associations, industrial loan and thrift companies, and credit unions.

Sec. 6. **[47.90] TITLE.**

Sections 47.90 to 47.985 may be cited as the "Uniform Special Deposits Act."

Sec. 7. **[47.905] DEFINITIONS.**

(a) For purposes of sections 47.90 to 47.985, the following terms have the meanings given.

(b) "Account agreement" means an agreement that:

(1) is in a record between a bank and one or more depositors;

(2) may have one or more beneficiaries as additional parties; and

(3) states the intention of the parties to establish a special deposit governed by sections 47.90 to 47.985.

(c) "Bank" means a person engaged in the business of banking and includes a savings bank; savings and loan association; credit union; trust company; and a banking institution, as defined in section 48.01, subdivision 2. Each branch or separate office of a bank is a separate bank for the purposes of sections 47.90 to 47.985.

(d) "Beneficiary" means a person that:

(1) is identified as a beneficiary in an account agreement; or

(2) if not identified as a beneficiary in an account agreement, may be entitled to payment from a special deposit:

(i) under the account agreement; or

(ii) on termination of the special deposit.

(e) "Contingency" means an event or circumstance stated in an account agreement that is not certain to occur but must occur before the bank is obligated to pay a beneficiary.

(f) "Creditor process" means attachment, garnishment, levy, notice of lien, sequestration, or similar process issued by or on behalf of a creditor or other claimant.

(g) "Depositor" means a person that establishes or funds a special deposit.

(h) "Good faith" means honesty in fact and observance of reasonable commercial standards of fair dealing.

(i) "Knowledge" of a fact means:

(1) with respect to a beneficiary, actual knowledge of the fact; or

(2) with respect to a bank holding a special deposit:

(i) if the bank:

(A) has established a reasonable routine for communicating material information to an individual to whom the bank has assigned responsibility for the special deposit; and

(B) maintains reasonable compliance with the routine, actual knowledge of the fact by that individual; or

(ii) if the bank has not established and maintained reasonable compliance with a routine described in item (i) or otherwise exercised due diligence, implied knowledge of the fact that would have come to the attention of an individual to whom the bank has assigned responsibility for the special deposit.

(j) "Obligated to pay a beneficiary" means a beneficiary is entitled under the account agreement to receive from the bank a payment when:

(1) a contingency has occurred; and

(2) the bank has knowledge the contingency has occurred.

"Obligation to pay a beneficiary" has a corresponding meaning.

(k) "Permissible purpose" means a governmental, regulatory, commercial, charitable, or testamentary objective of the parties stated in an account agreement. Permissible purpose includes an objective to:

(1) hold funds:

(i) in escrow, including for a purchase and sale, lease, buyback, or other transaction;

(ii) as a security deposit of a tenant;

(iii) that may be distributed to a person as remuneration, retirement or other benefit, or compensation under a judgment, consent decree, court order, or other decision of a tribunal; or

(iv) for distribution to a defined class of persons after identification of the class members and their interest in the funds;

(2) provide assurance with respect to an obligation created by contract, such as earnest money to ensure a transaction closes;

(3) settle an obligation that arises in the operation of a payment system, securities settlement system, or other financial market infrastructure;

(4) provide assurance with respect to an obligation that arises in the operation of a payment system, securities settlement system, or other financial market infrastructure; or

(5) hold margin, other cash collateral, or funds that support the orderly functioning of financial market infrastructure or the performance of an obligation with respect to the infrastructure.

(l) "Person" means an individual; estate; business or nonprofit entity; government or governmental subdivision, agency, or instrumentality; or other legal entity. Person includes a protected series, however denominated, of an entity if the protected series is established under law that limits, or limits if conditions specified under law are satisfied, the ability of a creditor of the entity or of any other protected series of the entity to satisfy a claim from assets of the protected series.

(m) "Record" means information:

(1) inscribed on a tangible medium; or

(2) stored in an electronic or other medium and retrievable in perceivable form.

(n) "Special deposit" means a deposit that satisfies section 47.92.

(o) "State" means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any other territory or possession subject to the jurisdiction of the United States. State includes an agency or instrumentality of the state.

Sec. 8. **[47.91] SCOPE; CHOICE OF LAW; FORUM.**

(a) Sections 47.90 to 47.985 apply to a special deposit under an account agreement that states the intention of the parties to establish a special deposit governed by sections 47.90 to 47.985, regardless of whether a party to the account agreement or a transaction related to the special deposit, or the special deposit itself, has a reasonable relation to this state.

(b) The parties to an account agreement may choose a forum in this state for settling a dispute arising out of the special deposit, regardless of whether a party to the account agreement or a transaction related to the special deposit, or the special deposit itself, has a reasonable relation to this state.

(c) Sections 47.90 to 47.985 do not affect:

(1) a right or obligation relating to a deposit other than a special deposit under sections 47.90 to 47.985; or

(2) the voidability of a deposit or transfer that is fraudulent or voidable under other law.

Sec. 9. **[47.915] VARIATION BY AGREEMENT OF AMENDMENT.**

(a) The effect of sections 47.905 to 47.925, 47.935 to 47.96, and 47.975 may not be varied by agreement, except as provided in those sections. Subject to paragraph (b), the effect of sections 47.93, 47.965, and 47.97 may be varied by agreement.

(b) A provision in an account agreement or other record that substantially excuses liability or substantially limits remedies for failure to perform an obligation under sections 47.90 to 47.985 is not sufficient to vary the effect of a provision of sections 47.90 to 47.985.

(c) If a beneficiary is a party to an account agreement, the bank and the depositor may amend the agreement without the consent of the beneficiary only if the agreement expressly permits the amendment.

(d) If a beneficiary is not a party to an account agreement and the bank and the depositor know the beneficiary has knowledge of the agreement's terms, the bank and the depositor may amend the agreement without the consent of the beneficiary only if the amendment does not adversely and materially affect a payment right of the beneficiary.

(e) If a beneficiary is not a party to an account agreement and the bank and the depositor do not know whether the beneficiary has knowledge of the agreement's terms, the bank and the depositor may amend the agreement without the consent of the beneficiary only if the amendment is made in good faith.

Sec. 10. **[47.92] REQUIREMENTS OF SPECIAL DEPOSIT.**

A deposit is a special deposit if it is:

(1) a deposit of funds in a bank under an account agreement;

(2) for the benefit of at least two beneficiaries, one or more of which may be a depositor;

(3) denominated in a medium of exchange that is currently authorized or adopted by a domestic or foreign government;

(4) for a permissible purpose stated in the account agreement; and

(5) subject to a contingency.

Sec. 11. **[47.925] PERMISSIBLE PURPOSE.**

(a) A special deposit must serve at least one permissible purpose stated in the account agreement from the time the special deposit is created in the account agreement until termination of the special deposit.

(b) If, before termination of the special deposit, the bank or a court determines the special deposit no longer satisfies paragraph (a), sections 47.935 to 47.96 cease to apply to any funds deposited in the special deposit after the special deposit ceases to satisfy paragraph (a).

(c) If, before termination of a special deposit, the bank determines the special deposit no longer satisfies paragraph (a), the bank may take action it believes is necessary under the circumstances, including terminating the special deposit.

Sec. 12. **[47.93] PAYMENT TO BENEFICIARY BY BANK.**

(a) Unless the account agreement provides otherwise, the bank is obligated to pay a beneficiary if there are sufficient actually and finally collected funds in the balance of the special deposit.

(b) Except as provided in paragraph (c), the obligation to pay the beneficiary is excused if the funds available in the special deposit are insufficient to cover such payment.

(c) Unless the account agreement provides otherwise, if the funds available in the special deposit are insufficient to cover an obligation to pay a beneficiary, a beneficiary may elect to be paid the funds that are available or, if there is more than one beneficiary, a pro rata share of the funds available. Payment to the beneficiary making the election under this paragraph discharges the bank's obligation to pay a beneficiary and does not constitute an accord and satisfaction with respect to another person obligated to the beneficiary.

(d) Unless the account agreement provides otherwise, the obligation of the bank obligated to pay a beneficiary is immediately due and payable.

(e) The bank may discharge its obligation under this section by:

(1) crediting another transaction account of the beneficiary; or

(2) taking other action that:

(i) is permitted under the account agreement for the bank to obtain a discharge; or

(ii) otherwise would constitute a discharge under law.

(f) If the bank obligated to pay a beneficiary has incurred an obligation to discharge the obligation of another person, the obligation of the other person is discharged if action by the bank under paragraph (e) would constitute a discharge of the obligation of the other person under law that determines whether an obligation is satisfied.

Sec. 13. **[47.935] PROPERTY INTEREST OF DEPOSITOR OR BENEFICIARY.**

(a) Neither a depositor nor a beneficiary has a property interest in a special deposit.

(b) Any property interest with respect to a special deposit is only in the right to receive payment if the bank is obligated to pay a beneficiary and not in the special deposit itself. Any property interest under this paragraph is determined under other law.

Sec. 14. **[47.94] WHEN CREDITOR PROCESS ENFORCEABLE AGAINST BANK.**

(a) Subject to paragraph (b), creditor process with respect to a special deposit is not enforceable against the bank holding the special deposit.

(b) Creditor process is enforceable against the bank holding a special deposit with respect to an amount the bank is obligated to pay a beneficiary or a depositor if the process:

(1) is served on the bank;

(2) provides sufficient information to permit the bank to identify the depositor or the beneficiary from the bank's books and records; and

(3) gives the bank a reasonable opportunity to act on the process.

(c) Creditor process served on a bank before it is enforceable against the bank under paragraph (b) does not create a right of the creditor against the bank or a duty of the bank to the creditor. Other law determines whether creditor process creates a lien enforceable against the beneficiary on a contingent interest of a beneficiary, including a depositor as a beneficiary, even if not enforceable against the bank.

Sec. 15. **[47.945] INJUNCTION OR SIMILAR RELIEF.**

A court may enjoin, or grant similar relief that would have the effect of enjoining, a bank from paying a depositor or beneficiary only if payment would constitute a material fraud or facilitate a material fraud with respect to a special deposit.

Sec. 16. **[47.96] RECOUPMENT OR SET OFF.**

(a) Except as provided in paragraph (b) or (c), a bank may not exercise a right of recoupment or set off against a special deposit.

(b) An account agreement may authorize the bank to debit the special deposit:

(1) when the bank becomes obligated to pay a beneficiary, in an amount that does not exceed the amount necessary to discharge the obligation;

(2) for a fee assessed by the bank that relates to an overdraft in the special deposit account;

(3) for costs incurred by the bank that relate directly to the special deposit; or

(4) to reverse an earlier credit posted by the bank to the balance of the special deposit account, if the reversal occurs under an event or circumstance warranted under other law of this state governing mistake and restitution.

(c) The bank holding a special deposit may exercise a right of recoupment or set off against an obligation to pay a beneficiary, even if the bank funds payment from the special deposit.

Sec. 17. **[47.965] DUTIES AND LIABILITY OF BANK.**

(a) A bank does not have a fiduciary duty to any person with respect to a special deposit.

(b) When the bank holding a special deposit becomes obligated to pay a beneficiary, a debtor-creditor relationship arises between the bank and beneficiary.

(c) The bank holding a special deposit has a duty to a beneficiary to comply with the account agreement and sections 47.90 to 47.985.

(d) If the bank holding a special deposit does not comply with the account agreement or sections 47.90 to 47.985, the bank is liable to a depositor or beneficiary only for damages proximately caused by the noncompliance. Except as provided by other law of this state, the bank is not liable for consequential, special, or punitive damages.

(e) The bank holding a special deposit may rely on records presented in compliance with the account agreement to determine whether the bank is obligated to pay a beneficiary.

(f) If the account agreement requires payment on presentation of a record, the bank shall determine within a reasonable time whether the record is sufficient to require payment. If the agreement requires action by the bank on presentation of a record, the bank is not liable for relying in good faith on the genuineness of the record if the record appears on its face to be genuine.

(g) Unless the account agreement provides otherwise, the bank is not required to determine whether a permissible purpose stated in the agreement continues to exist.

Sec. 18. **[47.97] TERM AND TERMINATION.**

(a) Unless otherwise provided in the account agreement, a special deposit terminates five years after the date the special deposit was first funded.

(b) Unless otherwise provided in the account agreement, if the bank cannot identify or locate a beneficiary entitled to payment when the special deposit is terminated, and a balance remains in the special deposit, the bank shall pay the balance to the depositor or depositors as a beneficiary or beneficiaries.

(c) A bank that pays the remaining balance as provided under paragraph (b) has no further obligation with respect to the special deposit.

Sec. 19. **[47.975] PRINCIPLES OF LAW AND EQUITY.**

Chapter 336; consumer protection law; law governing deposits generally; law related to escheat and abandoned or unclaimed property; and the principles of law and equity, including law related to capacity to contract, principal and agent, estoppel, fraud, misrepresentation, duress, coercion, mistake, and bankruptcy, supplement sections 47.90 to 47.985, except to the extent inconsistent with sections 47.90 to 47.985.

Sec. 20. **[47.98] UNIFORMITY OF APPLICATION AND CONSTRUCTION.**

In applying and construing this uniform act, a court shall consider the promotion of uniformity of the law among jurisdictions that enact it.

Sec. 21. **[47.985] TRANSITIONAL PROVISION.**

Sections 47.90 to 47.985 apply to:

(1) a special deposit made under an account agreement executed on or after August 1, 2025; and

(2) a deposit made under an agreement executed before August 1, 2025, if:

(i) all parties entitled to amend the agreement agree to make the deposit a special deposit governed by sections 47.90 to 47.985; and

(ii) the special deposit referenced in the amended agreement satisfies section 47.92.

Sec. 22. Minnesota Statutes 2024, section 53B.61, is amended to read:

53B.61 MAINTENANCE OF PERMISSIBLE INVESTMENTS.

(a) A licensee must maintain at all times permissible investments that have a market value computed in accordance with United States generally accepted accounting principles of not less than the aggregate amount of all of the licensee's outstanding money transmission obligations.

(b) Except for permissible investments enumerated in section 53B.62, ~~paragraph (a)~~ subdivision 1, clause (1), the commissioner may by administrative rule or order, with respect to any licensee, limit the extent to which a specific investment maintained by a licensee within a class of permissible investments may be considered a permissible investment, if the specific investment represents undue risk to customers not reflected in the market value of investments.

(c) Permissible investments, even if commingled with other assets of the licensee, are held in trust for the benefit of the purchasers and holders of the licensee's outstanding money transmission obligations in the event of insolvency; the filing of a petition by or against the licensee under the United States Bankruptcy Code, United States Code, title 11, sections 101 to 110, as amended or recodified from time to time, for bankruptcy or reorganization; the filing of a petition by or against the licensee for receivership; the commencement of any other judicial or administrative proceeding for the licensee's dissolution or reorganization; or in the event of an action by a creditor against the licensee who is not a beneficiary of this statutory trust. No permissible investments impressed with a trust pursuant to this paragraph are subject to attachment, levy of execution, or sequestration by order of any court, except for a beneficiary of the statutory trust.

(d) Upon the establishment of a statutory trust in accordance with paragraph (c), or when any funds are drawn on a letter of credit pursuant to section 53B.62, paragraph (a), clause (4), the commissioner must notify the applicable regulator of each state in which the licensee is licensed to engage in money transmission, if any, of the establishment of the trust or the funds drawn on the letter of credit, as applicable. Notice is deemed satisfied if performed pursuant to a multistate agreement or through NMLS. Funds drawn on a letter of credit, and any other permissible investments held in trust for the benefit of the purchasers and holders of the licensee's outstanding money transmission obligations, are deemed held in trust for the benefit of the purchasers and holders of the licensee's outstanding money transmission obligations on a pro rata and equitable basis in accordance with statutes pursuant to which permissible investments are required to be held in Minnesota and other states, as defined by a substantially similar statute in the other state. Any statutory trust established under this section terminates upon extinguishment of all of the licensee's outstanding money transmission obligations.

(e) The commissioner may by rule or by order allow other types of investments that the commissioner determines are of sufficient liquidity and quality to be a permissible investment. The commissioner is authorized to participate in efforts with other state regulators to determine that other types of investments are of sufficient liquidity and quality to be a permissible investment.

Sec. 23. Minnesota Statutes 2024, section 55.07, is amended by adding a subdivision to read:

Subd. 3. **Safe deposit lease; automatic renewal.** A safe deposit lease may renew automatically at the end of the lease's term. A consumer may terminate a safe deposit lease at any time in writing or in any other manner described in the lease.

Sec. 24. Minnesota Statutes 2024, section 58B.02, subdivision 8a, is amended to read:

Subd. 8a. **Lender.** "Lender" means an entity engaged in the business of securing, making, or extending student loans. Lender does not include, to the extent that state regulation is preempted by federal law:

(1) a bank, savings banks, savings and loan association, or credit union;

(2) a wholly owned subsidiary of a bank or credit union;

(3) an operating subsidiary where each owner is wholly owned by the same bank or credit union;

(4) the United States government, through Title IV of the Higher Education Act of 1965, as amended, and administered by the United States Department of Education;

(5) an agency, instrumentality, or political subdivision of Minnesota;

(6) a regulated lender organized under chapter 56, except that a regulated lender must file the annual report required for lenders under section 58B.03, subdivision ~~11~~ 10; or

(7) a person who is not in the business of making student loans and who makes no more than three student loans, with the person's own funds, during any 12-month period.

Sec. 25. Minnesota Statutes 2024, section 334.01, subdivision 2, is amended to read:

Subd. 2. **Contracts of $100,000 or more.** Notwithstanding any law to the contrary, except as stated in section 58.137, and with respect to ~~contracts~~ a conventional loan or contract for deed, section 47.20, subdivision 4a, no limitation on the rate or amount of interest, points, finance charges, fees, or other charges applies to a loan, mortgage, credit sale, or advance made under a written contract, signed by the debtor, for the extension of credit to the debtor in the amount of $100,000 or more, or any written extension and other written modification of the written contract. The written contract, written extension, and written modification are exempt from the other provisions of this chapter.

Sec. 26. Minnesota Statutes 2024, section 580.07, subdivision 1, is amended to read:

Subdivision 1. **Postponement by mortgagee.** (a) The sale may be postponed, from time to time, by the party conducting the foreclosure. The party requesting the postponement must, at the party's expense:

(1) publish, only once, a notice of the postponement and the rescheduled date of the sale, if known, as soon as practicable, in the newspaper in which the notice under section 580.03 was published; and

(2) send by first class mail to the occupant, postmarked within three business days of the postponed sale, notice:

(i) of the postponement; and

(ii) if known, of the rescheduled date of the sale and the date on or before which the mortgagor must vacate the property if the sheriff's sale is not further postponed, the mortgage is not reinstated under section 580.30, the property is not redeemed under section 580.23, or the redemption period is not reduced under section 582.032. The notice must state that the time to vacate the property is 11:59 p.m. on the specified date.

(b) If the rescheduled date of the sale is not known at the time of the initial publication and notice to the occupant of postponement, the foreclosing party must, at its expense if and when a new date of sale is scheduled:

(1) publish, only once, notice of the rescheduled date of the sale, as soon as practicable, in the newspaper in which the notice under section 580.03 and the notice of postponement under paragraph (a) was published; and

(2) send by first class mail to the occupant, postmarked within ten days of the rescheduled sale, notice:

(i) of the date of the rescheduled sale; and

(ii) of the date on or before which the mortgagor must vacate the property if the mortgage is not reinstated under section 580.30 or the property redeemed under section 580.23. The notice must state that the time to vacate the property is 11:59 p.m. on the specified date.

(c) The right of a mortgagee to postpone a foreclosure sale under this section applies to a foreclosure by action taken under chapter 581.

EFFECTIVE DATE. This section is effective August 1, 2025, for judicial foreclosures with the lis pendens recorded on or after the effective date.

Sec. 27. Minnesota Statutes 2024, section 580.07, subdivision 2, is amended to read:

Subd. 2. **Postponement by mortgagor or owner.** (a) If all or a part of the property to be sold is classified as homestead under section 273.124 and contains one to four dwelling units, the mortgagor or owner may, in the manner provided in this subdivision, postpone the sale to the first date that is not a Saturday, Sunday, or legal holiday and is:

(1) five months after the originally scheduled date of sale if the original redemption period was six months under section 580.23, subdivision 1; or

(2) 11 months after the originally scheduled date of sale if the original redemption period was 12 months under section 580.23, subdivision 2. To postpone a foreclosure sale pursuant to this subdivision, at any time after the first publication of the notice of mortgage foreclosure sale under section 580.03 but at least 15 days prior to the scheduled sale date specified in that notice, the mortgagor shall: (1) execute a sworn affidavit in the form set forth in subdivision 3, (2) record the affidavit in the office of each county recorder and registrar of titles where the mortgage was recorded, and (3) file with the sheriff conducting the sale and deliver to the attorney foreclosing the mortgage a copy of the recorded affidavit, showing the date and office in which the affidavit was recorded. Recording of the affidavit and postponement of the foreclosure sale pursuant to this subdivision shall automatically reduce the mortgagor's redemption period under section 580.23 to five weeks. The postponement of a foreclosure sale pursuant to this subdivision does not require any change in the contents of the notice of sale, service of the notice of sale if the occupant was served with the notice of sale prior to postponement under this subdivision, or publication of the notice of sale if publication was commenced prior to postponement under this subdivision, notwithstanding the service and publication time periods specified in section 580.03, but the sheriff's certificate of sale shall indicate the actual date of the foreclosure sale and the actual length of the mortgagor's redemption period. No notice of postponement need be published. An affidavit complying with subdivision 3 shall be prima facie evidence of the facts stated therein, and shall be entitled to be recorded. The right to postpone a foreclosure sale pursuant to this subdivision may be exercised only once, regardless whether the mortgagor reinstates the mortgage prior to the postponed mortgage foreclosure sale.

(b) If the automatic stay under United States Code, title 11, section 362, applies to the mortgage foreclosure after a mortgagor or owner requests postponement of the sheriff's sale under this section, then when the automatic stay is no longer applicable, the mortgagor's or owner's election to shorten the redemption period to five weeks under this section remains applicable to the mortgage foreclosure.

(c) Except for the circumstances set forth in paragraph (b), this section does not reduce the mortgagor's redemption period under section 580.23 for any subsequent foreclosure of the mortgage.

(d) The right of a mortgagor or owner to postpone a foreclosure sale under this section applies to a foreclosure by action taken under chapter 581.

EFFECTIVE DATE. This section is effective August 1, 2025, for judicial foreclosures with the lis pendens recorded on or after the effective date.

Sec. 28. Minnesota Statutes 2024, section 581.02, is amended to read:

581.02 APPLICATION, CERTAIN SECTIONS.

(a) The provisions of sections 580.08, 580.09, 580.12, 580.22, 580.25, and 580.27, so far as they relate to the form of the certificate of sale, shall apply to and govern the foreclosure of mortgages by action.

(b) Section 580.07 applies to actions for the foreclosure of mortgages taken under this chapter.

EFFECTIVE DATE. This section is effective August 1, 2025, for judicial foreclosures with the lis pendens recorded on or after the effective date.

Sec. 29. **CERTAIN COMPLIANCE OPTIONAL.**

A lender's compliance with Minnesota Statutes, section 47.20, subdivision 8, is optional with respect to conventional loan mortgage documents dated between August 1, 2024, and July 31, 2025.

EFFECTIVE DATE. This section is effective retroactively from July 31, 2024.

ARTICLE 2
INSURANCE

Section 1. Minnesota Statutes 2024, section 60C.09, subdivision 2, is amended to read:

Subd. 2. **Further definition.** In addition to subdivision 1, a covered claim does not include:

(1) claims by an affiliate of the insurer;

(2) claims due a reinsurer, insurer, insurance pool, or underwriting association, as subrogation recoveries, reinsurance recoveries, contribution, indemnification, or otherwise. This clause does not prevent a person from presenting the excluded claim to the insolvent insurer or its liquidator, but the claims shall not be asserted against another person, including the person to whom the benefits were paid or the insured of the insolvent insurer, except to the extent that the claim is outside the coverage of the policy issued by the insolvent insurer; ~~and~~

(3) any claims, resulting from insolvencies which occur after July 31, 1996, by an insured whose net worth exceeds $25,000,000 on December 31 of the year prior to the year in which the insurer becomes an insolvent insurer; provided that an insured's net worth on that date shall be deemed to include the aggregate net worth of the insured and all of its subsidiaries and affiliates as calculated on a consolidated basis. The association may request financial information from an insured to determine the insured's net worth under this clause. If an insured fails to provide the requested financial information within 60 days of the date the association submits a request, the insured's net worth is deemed to exceed $25,000,000 for purposes of the association's evaluation of the claim under section 60C.10. A request by the association to an insured seeking financial information under this clause must inform the insured of the consequences of failing to provide the requested information;

(4) any claims under a policy written by an insolvent insurer with a deductible or self-insured retention of $300,000 or more, nor that portion of a claim that is within an insured's deductible or self-insured retention; and

(5) claims that are a fine, penalty, interest, or punitive or exemplary damages.

Sec. 2. Minnesota Statutes 2024, section 62A.65, subdivision 2, is amended to read:

Subd. 2. **Guaranteed renewal.** No individual health plan may be offered, sold, issued, or renewed to a Minnesota resident unless the health plan provides that the plan is guaranteed renewable at a premium rate that does not take into account the claims experience or any change in the health status of any covered person that occurred after the initial issuance of the health plan to the person. The premium rate upon renewal must also otherwise comply with this section. A health carrier ~~must not refuse~~ is prohibited from refusing to renew ~~an~~ a Minnesota resident's individual health plan~~, except for nonpayment of premiums, fraud, or misrepresentation.~~ unless:

(1) the enrollee has failed to pay premiums in accordance with the health plan's terms, including any timeliness requirements;

(2) the enrollee has performed an act or practice that constitutes fraud or made an intentional misrepresentation of material fact under the health plan's terms;

(3) the enrollee no longer lives in the area where the issuer is authorized to operate;

(4) a health carrier discontinues an individual health plan as provided under subdivision 2a; or

(5) a health carrier discontinues issuing new individual health plans and refuses to renew all of the health carrier's existing individual health plans issued in Minnesota as provided under subdivision 8.

Sec. 3. Minnesota Statutes 2024, section 62A.65, is amended by adding a subdivision to read:

Subd. 2a. **Discontinuing individual health plan.** (a) In order to discontinue a particular type of individual health plan in Minnesota for purposes of subdivision 2, clause (4), a health carrier must:

(1) provide written notice to the commissioner that approves the individual health plan's policy forms and filings, in the form and manner approved by the commissioner, regarding the health carrier's intent to discontinue a particular type of individual health plan in Minnesota. The notice must be provided no later than May 1 of the year before the date the individual health plan intends to discontinue the particular type of individual health plan;

(2) provide written notice to each individual enrolled in the individual health plan no later than 90 days before the date the coverage is discontinued;

(3) offer each individual covered by the individual health plan that the health carrier intends to discontinue the option to purchase on a guaranteed-issue basis any other individual health plan currently offered by the health carrier for individuals in that market; and

(4) act uniformly without regard to any factor relating to the health status factor of covered individuals or dependents of covered individuals who may become eligible for coverage.

(b) The commissioner may disapprove a health carrier discontinuing a particular type of individual health plan within 60 days after receiving notice under paragraph (a) if the commissioner determines discontinuing the plan is not in Minnesota policyholders' best interest. When making the determination under this paragraph, the commissioner may consider the size of plan enrollment, the availability of comparable individual health plan options offered by the health carrier in Minnesota, or any other factor the commissioner deems relevant.

(c) A health carrier may appeal the commissioner's determination under paragraph (b) to disapprove the health carrier's plan to discontinue a particular type of individual health plan in Minnesota. An appeal under this paragraph is subject to the contested case procedures under chapter 14 and must be made within 30 days of the date the commissioner makes a written determination under paragraph (b).

Sec. 4. Minnesota Statutes 2024, section 62D.12, subdivision 2, is amended to read:

Subd. 2. **Coverage cancellation; nonrenewal.** No health maintenance organization may cancel or fail to renew the coverage of an enrollee except for (1) failure to pay the charge for health care coverage; (2) termination of the health care plan subject to section 62A.65, subdivisions 2 and 2a; (3) termination of the group plan; (4) enrollee moving out of the area served, subject to section 62A.17, subdivisions 1 and 6, and section 62D.104; (5) enrollee moving out of an eligible group, subject to section 62A.17, subdivisions 1 and 6, and section 62D.104; (6) failure to ~~make co-payments required by~~ pay premiums as provided by the terms of the health care plan, including timeliness requirements; (7) fraud or misrepresentation by the enrollee with respect to eligibility for coverage or any other material fact; or (8) other reasons established in rules promulgated by the commissioner of health.

Sec. 5. Minnesota Statutes 2024, section 62D.12, subdivision 2a, is amended to read:

Subd. 2a. **Cancellation or nonrenewal notice.** Enrollees shall be given 30 days' notice of any cancellation or nonrenewal, except that: (1) enrollees in a plan terminated under section 62A.65, subdivisions 2, clause (4), and 2a, must receive the 90 days' notice required under section 62A.65, subdivision 2a, paragraph (a), clause (2); and (2) enrollees who are eligible to receive replacement coverage under section 62D.121, subdivision 1, shall receive 90 days' notice as provided under section 62D.121, subdivision 5.

Sec. 6. Minnesota Statutes 2024, section 62D.121, subdivision 1, is amended to read:

Subdivision 1. **Replacement coverage.** When membership of an enrollee who has individual health coverage is terminated by the health maintenance organization for a reason other than (a) failure to pay the charge for health care coverage; (b) failure to ~~make co-payments required by~~ pay premiums as provided by the terms of the health care plan, including timeliness requirements; (c) enrollee moving out of the area served; or (d) a materially false statement or misrepresentation by the enrollee in the application for membership, the health maintenance organization must offer or arrange to offer replacement coverage, without evidence of insurability, without preexisting condition exclusions, and without interruption of coverage.

Sec. 7. Minnesota Statutes 2024, section 62Q.73, subdivision 4, is amended to read:

Subd. 4. **Contract.** Pursuant to a request for proposal, ~~the commissioner of administration, in consultation with~~ the commissioners of health and commerce~~, shall~~ must contract with ~~at least three organizations~~ more than one organization or business ~~entities~~ entity to provide independent external reviews of all adverse determinations submitted for external review. The contract ~~shall~~ must ensure that the fees for services rendered in connection with the reviews are reasonable.

Sec. 8. Minnesota Statutes 2024, section 65B.02, subdivision 7, is amended to read:

Subd. 7. **Participation ratio.** "Participation ratio" means the ratio of the member's Minnesota premiums, or other measure of business written approved by the commissioner, in relation to the comparable statewide totals for all members.

(1) For private passenger nonfleet automobile insurance coverages the participation ratio shall be based on voluntary car years written in this state for the calendar year ending December 31 of the second prior year, as reported by the statistical agent of each member as private passenger nonfleet exposures.

(2) For insurance coverages on all other automobiles, including insurance for fleets, commercial vehicles, public vehicles and garages, the ratio shall be based on the total Minnesota gross, direct automobile insurance premiums written, including both policy and membership fees less return premiums and premiums on policies not taken, without including reinsurance assumed and without deducting reinsurance ceded, and less the amount of such premiums reported as received for insurance on private passenger nonfleet vehicles, for the calendar year ending December 31 of the second prior year.

(3) For the purpose of determining each member's responsibility for expenses and assessments to operate the facility, the ratio shall be based on each member's total Minnesota car years and gross, direct premiums written, including both policy and membership fees less return premiums and premiums on policies not taken, without including reinsurance assumed and without deducting reinsurance ceded, for the calendar year ending December 31 of the second prior year, provided, however, that the preliminary determination of each member's responsibility for expenses and assessments may use the calendar year ending December 31 of the third prior year.

Sec. 9. Minnesota Statutes 2024, section 65B.05, is amended to read:

65B.05 POWER OF FACILITY, GOVERNING COMMITTEE.

(a) The facility is authorized to: (1) issue or cause to be issued insurance policies in the name of the Minnesota automobile insurance plan to applicants for the types of insurance available under the plan, subject to limits specified in the plan of operation; (2) underwrite the insurance and adjust and pay losses with respect to the plan; and (3) retain, hire, or appoint an individual or company to perform a function under clause (1) or (2).

(b) The governing committee shall have the power to direct the operation of the facility in all pursuits consistent with the purposes and terms of sections 65B.01 to 65B.12, including but not limited to ~~the following~~:

(1) ~~To sue and be~~ suing and being sued in the name of the facility and ~~to~~ assess each member in accord with its participation ratio to pay any judgment against the facility as an entity, provided, however, that no judgment against the facility shall create any liabilities in one or more members disproportionate to their participation ratio or an individual representing members on the governing committee~~.~~;

(2) ~~To delegate~~ delegating ministerial duties, ~~to hire~~ hiring a manager, and ~~to contract~~ contracting for goods and services from others~~.~~;

(3) ~~To assess~~ assessing members on the basis of participation ratios to cover anticipated costs of operation and administration of the facility~~.~~; and

(4) ~~To impose~~ imposing limitations on cancellation or nonrenewal by members of insureds covered pursuant to placement through the facility in addition to the limitations imposed by chapter 72A and sections 65B.1311 to 65B.21.

Sec. 10. Minnesota Statutes 2024, section 65B.06, subdivision 1, is amended to read:

Subdivision 1. **Distribution of private passenger, nonfleet auto risks.** With respect to private passenger, nonfleet automobiles, the facility shall provide for ~~the equitable distribution of qualified applicants to~~ members to share premium, losses, costs, and expenses in accordance with the participation ratio ~~or among these insurance companies as selected under the provisions of the plan of operation~~.

Sec. 11. Minnesota Statutes 2024, section 65B.06, subdivision 2, is amended to read:

Subd. 2. **Private passenger; nonfleet auto coverage.** With respect to private passenger, nonfleet automobiles, the facility shall provide for the issuance of policies of automobile insurance ~~by members~~ with coverage as follows:

(1) bodily injury liability and property damage liability coverage in the minimum amounts specified in section 65B.49, subdivision 3;

(2) uninsured and underinsured motorist coverages as required by section 65B.49, subdivisions 3a and 4a;

(3) a reasonable selection of higher limits of liability coverage up to $50,000 because of bodily injury to or death of one person in any one accident and, subject to such limit for one person, up to $100,000 because of bodily injury to or death of two or more persons in any one accident, and up to $25,000 because of injury to or destruction of property of others in any one accident, or higher limits of liability coverage as recommended by the governing committee and approved by the commissioner;

(4) basic economic loss benefits, as required by section 65B.44, and other optional coverages as recommended by the governing committee and approved by the commissioner; and

(5) automobile physical damage coverage, including coverage of loss by collision, subject to deductible options.

Sec. 12. Minnesota Statutes 2024, section 65B.06, subdivision 3, is amended to read:

Subd. 3. **Other auto coverage.** With respect to all automobiles not included in subdivisions 1 and 2, the facility shall provide:

(1) the minimum limits of coverage required by section 65B.49, subdivisions 2, 3, 3a, and 4a, or higher limits of liability coverage as recommended by the governing committee and approved by the commissioner;

(2) for the equitable ~~distribution of qualified applicants~~ sharing of premium, losses, costs, and expenses for this coverage among the members in ~~accord~~ accordance with the applicable participation ratio~~, or among these insurance companies as selected under the provisions of the plan of operation~~; and

(3) for a school district or contractor transporting school children under contract with a school district, that amount of automobile liability insurance coverage, not to exceed $1,000,000, required by the school district by resolution or contract, or that portion of such $1,000,000 of coverage for which the school district or contractor applies and for which it is eligible under section 65B.10.

Sec. 13. Minnesota Statutes 2024, section 65B.10, subdivision 2, is amended to read:

Subd. 2. **Termination of eligibility.** Eligibility for placement through the facility will terminate if an insured is offered equivalent coverage in the voluntary market at a rate lower than the facility rate. ~~If the member that is required to provide coverage by the facility makes such an offer after giving 30 days' advance written notice to the agent of record before making the offer, the member shall have no further obligation to the agent of record.~~

Sec. 14. Minnesota Statutes 2024, section 72A.20, is amended by adding a subdivision to read:

Subd. 42. **Availability of current policy.** After an original policy of automobile insurance under section 65B.14, subdivision 2, or homeowner's insurance under section 65A.27, subdivision 4, has been issued, an insurer must deliver a copy of the current policy to the first named insured within 21 days of the date a request for the current policy is received. The copy may be delivered in paper form, electronically, or via a website link. An insurer is required to provide a current policy in response to a request under this subdivision once per policy period.

Sec. 15. **REPEALER.**

Minnesota Statutes 2024, section 65B.10, subdivision 3, is repealed.

ARTICLE 3
LIMITED LONG-TERM CARE INSURANCE

Section 1. **[62A.481] LIMITED LONG-TERM CARE INSURANCE.**

Subdivision 1. **Short title.** This section may be known and cited as the "Limited Long-Term Care Insurance Act."

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

(b) "Applicant" means:

(1) in the case of an individual limited long-term care insurance policy, the person who seeks to contract for benefits; or

(2) in the case of a group limited long-term care insurance policy, the proposed certificate holder.

(c) "Certificate" means a certificate issued under a group limited long-term care insurance policy that has been delivered or issued for delivery in Minnesota.

(d) "Commissioner" means the commissioner of commerce.

(e) "Elimination period" means the length of time between meeting the eligibility for benefit payment and receiving benefit payments from an insurer.

(f) "Group limited long-term care insurance" means a limited long-term care insurance policy that is delivered or issued for delivery in Minnesota and issued to:

(1) one or more employers or labor organizations, a trust or the trustees of a fund established by one or more employers, labor organizations, or a combination of employers and labor organizations for: (i) employees, former employees, or a combination of employees or former employees; or (ii) members, former members, or a combination of members or former members of the labor organizations;

(2) a professional, trade, or occupational association for the association's members, former members, retired members, or a combination of members, former members, or retired members, if the association:

(i) is composed of individuals, all of whom are or were actively engaged in the same profession, trade, or occupation; and

(ii) has been maintained in good faith for purposes other than obtaining insurance;

(3) an association, a trust, or the trustees of a fund established, created, or maintained for the benefit of members of one or more associations. Prior to advertising, marketing, or offering the policy within Minnesota, the association or associations, or the insurer of the association or associations, must file evidence with the commissioner that the association or associations have at the outset:

(i) a minimum of 100 persons;

(ii) been organized and maintained in good faith for purposes other than obtaining insurance;

(iii) been in active existence for at least one year; and

(iv) a constitution and bylaws that provide:

(A) the association or associations hold regular meetings not less than annually to further purposes of the members;

(B) except for credit unions, the association or associations collect dues or solicit contributions from members; and

(C) the members have voting privileges and representation on the governing board and committees.

Thirty days after the filing, the association or associations are deemed to satisfy the organizational requirements unless the commissioner makes a finding that the association or associations do not satisfy the organizational requirements; or

(4) a group other than a group described in clauses (1) to (3), subject to the commissioner finding that:

(i) issuing the policy is not contrary to the public interest;

(ii) issuing the policy results in acquisition or administrative economies; and

(iii) the policy's benefits are reasonable in relation to the premiums charged.

(g) "Limited long-term care insurance" means an insurance policy or rider:

(1) issued by: (i) an insurer; (ii) a fraternal benefit society; (iii) a nonprofit health, hospital, or medical service corporation; (iv) a prepaid health plan; (v) a health maintenance organization; or (vi) a similar organization, to the extent the organization is authorized to issue life or health insurance;

(2) advertised, marketed, offered, or designed to provide coverage for less than 12 consecutive months for each covered person on an expense-incurred, indemnity, prepaid, or other basis; and

(3) for one or more necessary or medically necessary diagnostic, preventive, therapeutic, rehabilitative, maintenance, or personal care service provided in a setting other than a hospital's acute care unit.

Limited long-term care insurance includes a policy or rider that provides for payment of benefits based upon cognitive impairment or the loss of functional capacity. Limited long-term care insurance does not include an insurance policy that is offered primarily to provide basic Medicare supplement coverage, basic hospital expense coverage, basic medical-surgical expense coverage, hospital confinement indemnity coverage, major medical expense coverage, disability income or related asset-protection coverage, accident-only coverage, specified disease or specified accident coverage, or limited benefit health coverage.

(h) "Policy" means a policy, contract, subscriber agreement, rider, or endorsement delivered or issued for delivery in Minnesota by an insurer; fraternal benefit society; nonprofit health, hospital, or medical service corporation; prepaid health plan; health maintenance organization; or any similar organization.

(i) "Waiting period" means the time an insured individual must wait before some or all of the insured individual's coverage becomes effective.

Subd. 3. **Scope.** (a) This section applies to policies delivered or issued for delivery in Minnesota on or after January 1, 2026. This section does not supersede an obligation that an entity subject to this section has to comply with other applicable insurance laws to the extent the other insurance laws do not conflict with this section, except that laws and regulations designed and intended to apply to Medicare supplement insurance policies must not be applied to limited long-term care insurance.

(b) Notwithstanding any other provision of this section, a product, policy, certificate, or rider advertised, marketed, or offered as limited long-term care insurance is subject to this section.

Subd. 4. **Group limited long-term care insurance; extra-territorial jurisdiction.** Group limited long-term care insurance coverage must not be offered to a Minnesota resident under a group policy issued in another state to a group described in subdivision 2, paragraph (f), clause (4), unless Minnesota or another state having statutory and regulatory limited long-term care insurance requirements substantially similar to those adopted in Minnesota makes a determination that the statutory and regulatory limited long-term care insurance requirements have been met.

Subd. 5. **Limited long-term care insurance; disclosure and performance standards.** (a) A limited long-term care insurance policy must not:

(1) cancel, not renew, or otherwise terminate on the basis of the insured individual's or certificate holder's age, gender, or deterioration of mental or physical health;

(2) contain a provision that establishes a new waiting period in the event existing coverage is converted to or replaced by a new or other form of coverage within the same company, except with respect to an increase in benefits voluntarily selected by the insured individual or group policyholder; or

(3) provide coverage for only skilled nursing care or provide significantly more coverage for skilled nursing care in a facility than coverage provided for lower levels of care.

(b) A limited long-term care insurance policy or certificate issued to a group identified in subdivision 2, paragraph (f), clauses (2) to (4), is prohibited from: (1) using a definition for preexisting condition that is more restrictive than or excludes a condition for which medical advice or treatment was recommended by or received from a health care services provider within the six months preceding the date an insured individual's coverage is effective; and (2) excluding coverage for a loss or confinement that is the result of a preexisting condition unless the loss or confinement begins within six months of the date an insured individual's coverage is effective. The commissioner may extend the limitation periods established in clauses (1) and (2) with respect to specific age group categories in specific policy forms upon a finding that the extension is in the public interest. The definition of preexisting condition required under clause (1) does not prohibit an insurer from using an application form designed to elicit the complete health history of an applicant and, on the basis of the applicant's answers on the application, from underwriting in accordance with that insurer's established underwriting standards. Unless otherwise provided in the policy or certificate, an insurer is not required to cover a preexisting condition, regardless of whether the preexisting condition is disclosed on the application, until the waiting period under clause (2) expires. A limited long-term care insurance policy or certificate is prohibited from excluding or using waivers or riders of any kind to exclude, limit, or reduce coverage or benefits for specifically named or described preexisting diseases or physical conditions beyond the waiting period established in clause (2).

(c) A limited long-term care insurance policy must not be delivered or issued for delivery in Minnesota if the policy conditions eligibility: (1) for any benefits, on a prior hospitalization requirement; (2) for benefits provided in an institutional care setting, on the receipt of a higher level of institutional care; or (3) for any benefits other than waiver of premium, post-confinement, post-acute care, or recuperative benefits, on a prior institutionalization requirement. A limited long-term care insurance policy, certificate, or rider is prohibited from conditioning eligibility for noninstitutional benefits on the prior or continuing receipt of skilled care services.

(d) The commissioner may adopt administrative rules that establish loss ratio standards for limited long-term care insurance policies if a specific reference to limited long-term care insurance policies is contained in the administrative rule.

(e) A limited long-term care insurance applicant has the right to: (1) return the policy, certificate, or rider to the company or the company's agent or insurance producer within 30 days of the date the policy, certificate, or rider is received; and (2) have the premium refunded if, after examination of the policy, certificate, or rider, the applicant is not satisfied with the policy, certificate, or rider for any reason.

(f) A limited long-term care insurance policy, certificate, or rider must have a notice prominently printed on the first page or attached to the policy, certificate, or rider that includes specific instructions for a limited long-term care insurance applicant to return a policy, certificate, or rider under paragraph (e). The following statement or a substantially similar statement must be included with the instructions:

"You have 30 days from the date you receive this policy, certificate, or rider to review and return it to the company if you decide not to keep it. You do not have to tell the company why you are returning it. If you decide to not keep the policy, certificate, or rider, simply return it to the company at the company's administrative office, or you may return it to the agent or insurance producer that you bought it from. You must return the policy, certificate, or rider within 30 days of the date you first received it. The company must refund the full amount of any premium paid within 30 days of the date the company receives the returned policy, certificate, or rider. The premium refund is sent directly to the person who paid it. A returned policy, certificate, or rider is void, as if it never was issued."

This paragraph does not apply to certificates issued pursuant to a policy issued to a group defined in subdivision 2, paragraph (f), clause (1).

(g) A coverage outline must be delivered to a prospective applicant for limited long-term care insurance at the time an initial solicitation is made, using a means that prominently directs the recipient's attention to the coverage outline and the coverage outline's purpose. The commissioner must prescribe: (1) a standard format, including style, arrangement, and overall appearance; and (2) the content that must be contained on a coverage outline. With respect to an agent solicitation, the agent must deliver the coverage outline before presenting an application or enrollment form. With respect to a direct response solicitation, the coverage outline must be provided in conjunction with an application or enrollment form. Delivery of a coverage outline is not required for a policy issued to a group defined in subdivision 2, paragraph (f), clause (1), if the information described in paragraph (h) is contained in other materials relating to enrollment. A copy of the other materials must be made available to the commissioner upon request.

(h) The coverage outline provided under paragraph (g) must include:

(1) a description of the principal benefits and coverage provided in the policy;

(2) a description of the eligibility triggers for benefits and how the eligibility triggers are met;

(3) a statement identifying the principal exclusions, reductions, and limitations contained in the policy;

(4) a statement describing the terms under which the policy, certificate, or both may be continued in force or discontinued, including any reservation in the policy of a right to change premium. A continuation or conversion provision for group coverage must be specifically described;

(5) a statement indicating that coverage outline is a summary only and not an insurance contract, and that the policy or group master policy contains the governing contractual provisions;

(6) a description of the terms under which the policy or certificate may be returned and premium refunded;

(7) a brief description of the relationship between cost of care and benefits; and

(8) a statement that discloses to the policyholder or certificate holder that the policy is not long-term care insurance.

(i) A certificate issued pursuant to a group limited long-term care insurance policy that is delivered or issued for delivery in Minnesota must include:

(1) a description of the principal benefits and coverage provided in the policy;

(2) a statement identifying the principal exclusions, reductions, and limitations contained in the policy; and

(3) a statement indicating that the group master policy determines governing contractual provisions.

(j) If an application for a limited long-term care insurance contract or certificate is approved, the issuer must deliver the contract or certificate of insurance to the applicant no later than 30 days after the date the application is approved.

(k) If a claim under a limited long-term care insurance contract is denied, the issuer must, within 60 days of the date the policyholder, certificate holder, or a representative of the policyholder or certificate holder submits a written request:

(1) provide a written explanation detailing the reasons for the denial; and

(2) make available all information directly related to the denial.

(l) A disclosure, statement, or written information and explanation required in this section, whether in print or electronic form, must accommodate the communication needs of individuals with disabilities and persons with limited English proficiency, as required by law.

Subd. 6. **Incontestability period.** (a) An insurer may (1) rescind a limited long-term care insurance policy or certificate, or (2) deny an otherwise valid limited long-term care insurance claim, for a policy or certificate that has been in force for less than six months upon a showing of misrepresentation that is material to the coverage acceptance.

(b) An insurer may (1) rescind a limited long-term care insurance policy or certificate, or (2) deny an otherwise valid limited long-term care insurance claim, for a policy or certificate that has been in force for at least six months but less than two years upon a showing of misrepresentation that is both material to the coverage acceptance and that pertains to the condition for which benefits are sought.

(c) A policy or certificate that has been in force for two years is not contestable upon the grounds of misrepresentation alone. A policy or certificate that has been in force for two years may be contested only upon a showing that the insured knowingly and intentionally misrepresented relevant facts relating to the insured individual's health.

(d) A limited long-term care insurance policy or certificate may be field issued if compensation to the field issuer is not based on the number of policies or certificates issued. For purposes of this paragraph, "field issued" means a policy or certificate issued by a producer or a third-party administrator (1) pursuant to the underwriting authority granted to the producer or third-party administrator by an insurer, and (2) using the insurer's underwriting guidelines.

(e) If an insurer paid benefits under the limited long-term care insurance policy or certificate, the benefit payments are not recoverable by the insurer if the policy or certificate is rescinded.

Subd. 7. **Nonforfeiture benefits.** (a) A limited long-term care insurance policy may offer the option to purchase a policy or certificate that includes a nonforfeiture benefit. A nonforfeiture benefit may be offered in the form of a rider that is attached to the policy. If the policyholder or certificate holder does not purchase the nonforfeiture benefit, the insurer must provide a contingent benefit upon lapse that must be available for a specified period of time after a substantial increase in premium rates, as determined by the commissioner under paragraph (c).

(b) When a group limited long-term care insurance policy is issued, a nonforfeiture benefit offer must be made to the group policyholder. If the policy is issued as group limited long-term care insurance, as defined in subdivision 2, paragraph (f), clause (4), to an entity other than a continuing care retirement community or other similar entity, a nonforfeiture benefit offer must be made to each proposed certificate holder.

(c) The commissioner must adopt administrative rules that specify: (1) the type or types of nonforfeiture benefits that must be offered as part of limited long-term care insurance policies and certificates; (2) the standards for nonforfeiture benefits; and (3) requirements regarding contingent benefit upon lapse, including determining the specified period of time during which a contingent benefit upon lapse is available and the substantial premium rate increase that triggers a contingent benefit upon lapse, as described in paragraph (a).

Subd. 8. **Administrative rulemaking.** (a) The commissioner must adopt reasonable administrative rules to: (1) promote premium adequacy; (2) protect a policyholder in the event of a substantial rate increase; and (3) establish minimum standards for producer education, marketing practices, producer compensation, producer testing, independent review of benefit determinations, penalties, and reporting practices for limited long-term care insurance.

(b) Administrative rules adopted under this section are subject to chapter 14.

Subd. 9. **Severability.** If any provision of this section or the application of the provision to any person or circumstance is held invalid for any reason, the remainder of the section and the application of the invalid provision to other persons or circumstances is not affected.

Subd. 10. **Penalties.** In addition to any other penalties provided by the laws of Minnesota, an insurer or producer that violates any requirement under this section or other law relating to the regulation of limited long-term care insurance or the marketing of limited long-term care insurance is subject to a fine of up to three times the amount of commissions paid for each policy involved in the violation or up to $10,000, whichever is greater.

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

ARTICLE 4
MEDICARE SUPPLEMENT INSURANCE

Section 1. Minnesota Statutes 2024, section 62A.31, subdivision 1, is amended to read:

Subdivision 1. **Policy requirements.** No individual or group policy, certificate, subscriber contract issued by a health service plan corporation regulated under chapter 62C, or other evidence of accident and health insurance the effect or purpose of which is to supplement Medicare coverage, including to supplement coverage under Medicare Advantage plans established under Medicare Part C, issued or delivered in this state or offered to a resident of this state shall be sold or issued to an individual covered by Medicare unless the requirements in subdivisions 1a to ~~1w~~ 1v are met.

Sec. 2. Minnesota Statutes 2024, section 62A.31, subdivision 1f, is amended to read:

Subd. 1f. **Suspension based on entitlement to medical assistance.** (a) The policy or certificate must provide that benefits and premiums under the policy or certificate shall be suspended for any period that may be provided by federal regulation at the request of the policyholder or certificate holder for the period, not to exceed 24 months, in which the policyholder or certificate holder has applied for and is determined to be entitled to medical assistance under title XIX of the Social Security Act, but only if the policyholder or certificate holder notifies the issuer of the policy or certificate within 90 days after the date the individual becomes entitled to this assistance.

(b) If suspension occurs and if the policyholder or certificate holder loses entitlement to this medical assistance, the policy or certificate shall be automatically reinstated, effective as of the date of termination of this entitlement, if the policyholder or certificate holder provides notice of loss of the entitlement within 90 days after the date of the loss and pays the premium attributable to the period, effective as of the date of termination of entitlement.

(c) The policy must provide that upon reinstatement (1) there is no additional waiting period with respect to treatment of preexisting conditions, (2) coverage is provided which is substantially equivalent to coverage in effect before the date of the suspension. If the suspended policy provided coverage for outpatient prescription drugs, reinstitution of the policy for Medicare Part D enrollees must be without coverage for outpatient prescription drugs and must otherwise provide coverage substantially equivalent to the coverage in effect before the date of suspension, and (3) premiums are classified on terms that are at least as favorable to the policyholder or certificate holder as the premium classification terms that would have applied to the policyholder or certificate holder had coverage not been suspended.

Sec. 3. Minnesota Statutes 2024, section 62A.31, subdivision 1h, is amended to read:

Subd. 1h. **Limitations on denials, conditions, and pricing of coverage.** No health carrier issuing Medicare-related coverage in this state may impose preexisting condition limitations or otherwise deny or condition the issuance or effectiveness of any such coverage available for sale in this state, nor may it discriminate in the pricing of such coverage, because of the health status, claims experience, receipt of health care, medical condition, or age of an applicant where an application for such coverage is submitted~~: (1)~~ prior to or during the six-month period beginning with the first day of the month in which an individual first enrolled for benefits under Medicare Part B~~; or (2) during the open enrollment period~~. This subdivision applies to each Medicare-related coverage offered by a health carrier regardless of whether the individual has attained the age of 65 years. If an individual who is enrolled in Medicare Part B due to disability status is involuntarily disenrolled due to loss of disability status, the individual is eligible for another six-month enrollment period provided under this subdivision beginning the first day of the month in which the individual later becomes eligible for and enrolls again in Medicare Part B ~~and during the open enrollment period~~. An individual who is or was previously enrolled in Medicare Part B due to disability status is eligible for another six-month enrollment period under this subdivision beginning the first day of the month in which the individual has attained the age of 65 years and either maintains enrollment in, or enrolls again in, Medicare Part B ~~and during the open enrollment period~~. If an individual enrolled in Medicare Part B voluntarily disenrolls from Medicare Part B because the individual becomes enrolled under an employee welfare benefit plan, the individual is eligible for another six-month enrollment period, as provided in this subdivision, beginning the first day of the month in which the individual later becomes eligible for and enrolls again in Medicare Part B ~~and during the open enrollment period~~.

Sec. 4. Minnesota Statutes 2024, section 62A.31, subdivision 1p, is amended to read:

Subd. 1p. **Renewal or continuation provisions.** Medicare supplement policies and certificates shall include a renewal or continuation provision. The language or specifications of the provision shall be consistent with the type of contract issued. The provision shall be appropriately captioned and shall appear on the first page of the policy or certificate, and shall include any reservation by the issuer of the right to change premiums. Except for riders or

endorsements by which the issuer effectuates a request made in writing by the insured, exercises a specifically reserved right under a Medicare supplement policy or certificate, or is required to reduce or eliminate benefits to avoid duplication of Medicare benefits, all riders or endorsements added to a Medicare supplement policy or certificate after the date of issue or at reinstatement or renewal that reduce or eliminate benefits or coverage in the policy or certificate shall require a signed acceptance by the insured. After the date of policy or certificate issue, a rider or endorsement that increases benefits or coverage with a concomitant increase in premium during the policy or certificate term shall be agreed to in writing and signed by the insured, unless the benefits are required by the minimum standards for Medicare supplement policies or if the increased benefits or coverage is required by law. Where a separate additional premium is charged for benefits provided in connection with riders or endorsements, the premium charge shall be set forth in the policy, declaration page, or certificate. If a Medicare supplement policy or certificate contains limitations with respect to preexisting conditions, the limitations shall appear as a separate paragraph of the policy or certificate and be labeled as "preexisting condition limitations."

Issuers of accident and sickness policies or certificates that provide hospital or medical expense coverage on an expense incurred or indemnity basis to persons eligible for Medicare shall provide to those applicants a "Guide to Health Insurance for People with Medicare" in the form developed by the Centers for Medicare and Medicaid Services and in a type size no smaller than 12-point type. Delivery of the guide must be made whether or not such policies or certificates are advertised, solicited, or issued as Medicare supplement policies or certificates as defined in this section and section 62A.3099. Except in the case of direct response issuers, delivery of the guide must be made to the applicant at the time of application, and acknowledgment of receipt of the guide must be obtained by the issuer. Direct response issuers shall deliver the guide to the applicant upon request, but no later than the time at which the policy is delivered.

Sec. 5. Minnesota Statutes 2024, section 62A.31, subdivision 1u, is amended to read:

Subd. 1u. **Guaranteed issue for eligible persons.** (a)(1) Eligible persons are those individuals described in paragraph (b) who seek to enroll under the policy during the period specified in paragraph (c) and who submit evidence of the date of termination or disenrollment described in paragraph (b), or of the date of Medicare Part D enrollment, with the application for a Medicare supplement policy.

(2) With respect to eligible persons, an issuer shall not: deny or condition the issuance or effectiveness of a Medicare supplement policy described in paragraph (c) that is offered and is available for issuance to new enrollees by the issuer; discriminate in the pricing of such a Medicare supplement policy because of health status, claims experience, receipt of health care, medical condition, or age; or impose an exclusion of benefits based upon a preexisting condition under such a Medicare supplement policy.

(b) An eligible person is an individual described in any of the following:

(1) the individual is enrolled under an employee welfare benefit plan that provides health benefits that supplement the benefits under Medicare; and the plan terminates, or the plan ceases to provide all such supplemental health benefits to the individual;

(2) the individual is enrolled with a Medicare Advantage organization under a Medicare Advantage plan under Medicare Part C, and any of the following circumstances apply, or the individual is 65 years of age or older and is enrolled with a Program of All-Inclusive Care for the Elderly (PACE) provider under section 1894 of the federal Social Security Act, and there are circumstances similar to those described in this clause that would permit discontinuance of the individual's enrollment with the provider if the individual were enrolled in a Medicare Advantage plan:

(i) the organization's or plan's certification under Medicare Part C has been terminated or the organization has terminated or otherwise discontinued providing the plan in the area in which the individual resides;

(ii) the individual is no longer eligible to elect the plan because of a change in the individual's place of residence or other change in circumstances specified by the secretary, but not including termination of the individual's enrollment on the basis described in section 1851(g)(3)(B) of the federal Social Security Act, United States Code, title 42, section 1395w-21(g)(3)(b) (where the individual has not paid premiums on a timely basis or has engaged in disruptive behavior as specified in standards under section 1856 of the federal Social Security Act, United States Code, title 42, section 1395w-26), or the plan is terminated for all individuals within a residence area;

(iii) the individual demonstrates, in accordance with guidelines established by the Secretary, that:

(A) the organization offering the plan substantially violated a material provision of the organization's contract in relation to the individual, including the failure to provide an enrollee on a timely basis medically necessary care for which benefits are available under the plan or the failure to provide such covered care in accordance with applicable quality standards; or

(B) the organization, or agent or other entity acting on the organization's behalf, materially misrepresented the plan's provisions in marketing the plan to the individual; or

(iv) the individual meets such other exceptional conditions as the secretary may provide;

(3)(i) the individual is enrolled with:

(A) an eligible organization under a contract under section 1876 of the federal Social Security Act, United States Code, title 42, section 1395mm (Medicare cost);

(B) a similar organization operating under demonstration project authority, effective for periods before April 1, 1999;

(C) an organization under an agreement under section 1833(a)(1)(A) of the federal Social Security Act, United States Code, title 42, section 1395l(a)(1)(A) (health care prepayment plan); or

(D) an organization under a Medicare Select policy under section 62A.318 or the similar law of another state; and

(ii) the enrollment ceases under the same circumstances that would permit discontinuance of an individual's election of coverage under clause (2);

(4) the individual is enrolled under a Medicare supplement policy, and the enrollment ceases because:

(i)(A) of the insolvency of the issuer or bankruptcy of the nonissuer organization; or

(B) of other involuntary termination of coverage or enrollment under the policy;

(ii) the issuer of the policy substantially violated a material provision of the policy; or

(iii) the issuer, or an agent or other entity acting on the issuer's behalf, materially misrepresented the policy's provisions in marketing the policy to the individual;

(5)(i) the individual was enrolled under a Medicare supplement policy and terminates that enrollment and subsequently enrolls, for the first time, with any Medicare Advantage organization under a Medicare Advantage plan under Medicare Part C; any eligible organization under a contract under section 1876 of the federal Social Security Act, United States Code, title 42, section 1395mm (Medicare cost); any similar organization operating under demonstration project authority; any PACE provider under section 1894 of the federal Social Security Act, or a Medicare Select policy under section 62A.318 or the similar law of another state; and

(ii) the subsequent enrollment under item (i) is terminated by the enrollee during any period within the first 12 months of the subsequent enrollment during which the enrollee is permitted to terminate the subsequent enrollment under section 1851(e) of the federal Social Security Act;

(6) the individual, upon first enrolling for benefits under Medicare Part B, enrolls in a Medicare Advantage plan under Medicare Part C, or with a PACE provider under section 1894 of the federal Social Security Act, and disenrolls from the plan by not later than 12 months after the effective date of enrollment;

(7) the individual enrolls in a Medicare Part D plan during the initial Part D enrollment period, as defined under United States Code, title 42, section 1395ss(v)(6)(D), and, at the time of enrollment in Part D, was enrolled under a Medicare supplement policy that covers outpatient prescription drugs and the individual terminates enrollment in the Medicare supplement policy and submits evidence of enrollment in Medicare Part D along with the application for a policy described in paragraph (e), clause (4); or

(8) the individual was enrolled in a state public program and is losing coverage due to the unwinding of the Medicaid continuous enrollment conditions, as provided by Code of Federal Regulations, title 45, section 155.420 (d)(9) and (d)(1), and Public Law 117-328, section 5131 (2022).

(c)(1) In the case of an individual described in paragraph (b), clause (1), the guaranteed issue period begins on the later of: (i) the date the individual receives a notice of termination or cessation of all supplemental health benefits or, if a notice is not received, notice that a claim has been denied because of a termination or cessation; or (ii) the date that the applicable coverage terminates or ceases; and ends 63 days after the later of those two dates.

(2) In the case of an individual described in paragraph (b), clause (2), (3), (5), or (6), whose enrollment is terminated involuntarily, the guaranteed issue period begins on the date that the individual receives a notice of termination and ends 63 days after the date the applicable coverage is terminated.

(3) In the case of an individual described in paragraph (b), clause (4), item (i), the guaranteed issue period begins on the earlier of: (i) the date that the individual receives a notice of termination, a notice of the issuer's bankruptcy or insolvency, or other such similar notice if any; and (ii) the date that the applicable coverage is terminated, and ends on the date that is 63 days after the date the coverage is terminated.

(4) In the case of an individual described in paragraph (b), clause (2), (4), (5), or (6), who disenrolls voluntarily, the guaranteed issue period begins on the date that is 60 days before the effective date of the disenrollment and ends on the date that is 63 days after the effective date.

(5) In the case of an individual described in paragraph (b), clause (7), the guaranteed issue period begins on the date the individual receives notice pursuant to section 1882(v)(2)(B) of the Social Security Act from the Medicare supplement issuer during the 60-day period immediately preceding the initial Part D enrollment period and ends on the date that is 63 days after the effective date of the individual's coverage under Medicare Part D.

(6) In the case of an individual described in paragraph (b) but not described in this paragraph, the guaranteed issue period begins on the effective date of disenrollment and ends on the date that is 63 days after the effective date.

~~(7) For all individuals described in paragraph (b), the open enrollment period is a guaranteed issue period.~~

(d)(1) In the case of an individual described in paragraph (b), clause (5), or deemed to be so described, pursuant to this paragraph, whose enrollment with an organization or provider described in paragraph (b), clause (5), item (i), is involuntarily terminated within the first 12 months of enrollment, and who, without an intervening enrollment, enrolls with another such organization or provider, the subsequent enrollment is deemed to be an initial enrollment described in paragraph (b), clause (5).

(2) In the case of an individual described in paragraph (b), clause (6), or deemed to be so described, pursuant to this paragraph, whose enrollment with a plan or in a program described in paragraph (b), clause (6), is involuntarily terminated within the first 12 months of enrollment, and who, without an intervening enrollment, enrolls in another such plan or program, the subsequent enrollment is deemed to be an initial enrollment described in paragraph (b), clause (6).

(3) For purposes of paragraph (b), clauses (5) and (6), no enrollment of an individual with an organization or provider described in paragraph (b), clause (5), item (i), or with a plan or in a program described in paragraph (b), clause (6), may be deemed to be an initial enrollment under this paragraph after the two-year period beginning on the date on which the individual first enrolled with the organization, provider, plan, or program.

(e) The Medicare supplement policy to which eligible persons are entitled under:

(1) paragraph (b), clauses (1) to (4), is any Medicare supplement policy that has a benefit package consisting of the basic Medicare supplement plan described in section 62A.316, paragraph (a), plus any combination of the three optional riders described in section 62A.316, paragraph (b), clauses (1) to (3), offered by any issuer;

(2) paragraph (b), clause (5), is the same Medicare supplement policy in which the individual was most recently previously enrolled, if available from the same issuer, or, if not so available, any policy described in clause (1) offered by any issuer, except that after December 31, 2005, if the individual was most recently enrolled in a Medicare supplement policy with an outpatient prescription drug benefit, a Medicare supplement policy to which the individual is entitled under paragraph (b), clause (5), is:

(i) the policy available from the same issuer but modified to remove outpatient prescription drug coverage; or

(ii) at the election of the policyholder, a policy described in clause (4), except that the policy may be one that is offered and available for issuance to new enrollees that is offered by any issuer;

(3) paragraph (b), clause (6), is any Medicare supplement policy offered by any issuer;

(4) paragraph (b), clause (7), is a Medicare supplement policy that has a benefit package classified as a basic plan under section 62A.316 if the enrollee's existing Medicare supplement policy is a basic plan or, if the enrollee's existing Medicare supplement policy is an extended basic plan under section 62A.315, a basic or extended basic plan at the option of the enrollee, provided that the policy is offered and is available for issuance to new enrollees by the same issuer that issued the individual's Medicare supplement policy with outpatient prescription drug coverage. The issuer must permit the enrollee to retain all optional benefits contained in the enrollee's existing coverage, other than outpatient prescription drugs, subject to the provision that the coverage be offered and available for issuance to new enrollees by the same issuer.

(f)(1) At the time of an event described in paragraph (b), because of which an individual loses coverage or benefits due to the termination of a contract or agreement, policy, or plan, the organization that terminates the contract or agreement, the issuer terminating the policy, or the administrator of the plan being terminated, respectively, shall notify the individual of the individual's rights under this subdivision, and of the obligations of issuers of Medicare supplement policies under paragraph (a). The notice must be communicated contemporaneously with the notification of termination.

(2) At the time of an event described in paragraph (b), because of which an individual ceases enrollment under a contract or agreement, policy, or plan, the organization that offers the contract or agreement, regardless of the basis for the cessation of enrollment, the issuer offering the policy, or the administrator of the plan, respectively, shall notify the individual of the individual's rights under this subdivision, and of the obligations of issuers of Medicare supplement policies under paragraph (a). The notice must be communicated within ten working days of the issuer receiving notification of disenrollment.

(g) Reference in this subdivision to a situation in which, or to a basis upon which, an individual's coverage has been terminated does not provide authority under the laws of this state for the termination in that situation or upon that basis.

(h) An individual's rights under this subdivision are in addition to, and do not modify or limit, the individual's rights under subdivision 1h.

Sec. 6. Minnesota Statutes 2024, section 62A.31, subdivision 4, is amended to read:

Subd. 4. **Prohibited policy provisions.** (a) A Medicare supplement policy or certificate in force in the state shall not contain benefits that duplicate benefits provided by Medicare or contain exclusions on coverage that are more restrictive than those of Medicare. Duplication of benefits is permitted to the extent permitted under subdivision 1s, paragraph (a), for benefits provided by Medicare Part D.

(b) No Medicare supplement policy or certificate may use waivers to exclude, limit, or reduce coverage or benefits for specifically named or described preexisting diseases or physical conditions, except as permitted under subdivision 1b.

Sec. 7. Minnesota Statutes 2024, section 62A.44, subdivision 2, is amended to read:

Subd. 2. **Questions.** (a) Application forms shall include the following questions designed to elicit information as to whether, as of the date of the application, the applicant has another Medicare supplement or other health insurance policy or certificate in force or whether a Medicare supplement policy or certificate is intended to replace any other accident and sickness policy or certificate presently in force. A supplementary application or other form to be signed by the applicant and agent containing the questions and statements may be used.

"(1) You do not need more than one Medicare supplement policy or certificate.

(2) If you purchase this policy, you may want to evaluate your existing health coverage and decide if you need multiple coverages.

(3) You may be eligible for benefits under Medicaid and may not need a Medicare supplement policy or certificate.

(4) The benefits and premiums under your Medicare supplement policy or certificate can be suspended, if requested, during your entitlement to benefits under Medicaid for 24 months. You must request this suspension within 90 days of becoming eligible for Medicaid. If you are no longer entitled to Medicaid, your policy or certificate will be reinstated if requested within 90 days of losing Medicaid eligibility.

(5) Counseling services may be available in Minnesota to provide advice concerning medical assistance through state Medicaid, Qualified Medicare Beneficiaries (QMBs), and Specified Low-Income Medicare Beneficiaries (SLMBs).

To the best of your knowledge:

(1) Do you have another Medicare supplement policy or certificate in force?

(a) If so, with which company?

(b) If so, do you intend to replace your current Medicare supplement policy with this policy or certificate?

(2) Do you have any other health insurance policies that provide benefits which this Medicare supplement policy or certificate would duplicate?

(a) If so, please name the company.

(b) What kind of policy?

(3) Are you covered for medical assistance through the state Medicaid program? If so, which of the following programs provides coverage for you?

(a) Specified Low-Income Medicare Beneficiary (SLMB),

(b) Qualified Medicare Beneficiary (QMB), or

(c) full Medicaid Beneficiary?"

(b) Agents shall list any other health insurance policies they have sold to the applicant.

(1) List policies sold that are still in force.

(2) List policies sold in the past five years that are no longer in force.

(c) In the case of a direct response issuer, a copy of the application or supplemental form, signed by the applicant, and acknowledged by the insurer, shall be returned to the applicant by the insurer on delivery of the policy or certificate.

(d) Upon determining that a sale will involve replacement of Medicare supplement coverage, any issuer, other than a direct response issuer, or its agent, shall furnish the applicant, before issuance or delivery of the Medicare supplement policy or certificate, a notice regarding replacement of Medicare supplement coverage. One copy of the notice signed by the applicant and the agent, except where the coverage is sold without an agent, shall be provided to the applicant and an additional signed copy shall be retained by the issuer. A direct response issuer shall deliver to the applicant at the time of the issuance of the policy or certificate the notice regarding replacement of Medicare supplement coverage.

(e) The notice required by paragraph (d) for an issuer shall be provided in substantially the following form in no less than 12-point type:

"NOTICE TO APPLICANT REGARDING REPLACEMENT
OF MEDICARE SUPPLEMENT INSURANCE
(Insurance company's name and address)
SAVE THIS NOTICE! IT MAY BE IMPORTANT TO YOU IN THE FUTURE.

According to (your application) (information you have furnished), you intend to terminate existing Medicare supplement insurance and replace it with a policy or certificate to be issued by (Company Name) Insurance Company. Your new policy or certificate will provide 30 days within which you may decide without cost whether you desire to keep the policy or certificate.

You should review this new coverage carefully. Compare it with all accident and sickness coverage you now have. If, after due consideration, you find that purchase of this Medicare supplement coverage is a wise decision you should terminate your present Medicare supplement policy. You should evaluate the need for other accident and sickness coverage you have that may duplicate this policy.

STATEMENT TO APPLICANT BY ISSUER, AGENT, (BROKER OR OTHER REPRESENTATIVE): I have reviewed your current medical or health insurance coverage. To the best of my knowledge this Medicare supplement policy will not duplicate your existing Medicare supplement policy because you intend to terminate the existing Medicare supplement policy. The replacement policy or certificate is being purchased for the following reason(s) (check one):

.....Additional benefits
.....No change in benefits, but lower premiums
.....Fewer benefits and lower premiums
.....Other (please specify)
.....
.....
.....

(1) Health conditions which you may presently have (preexisting conditions) may not be immediately or fully covered under the new policy or certificate. This could result in denial or delay of a claim for benefits under the new policy or certificate, whereas a similar claim might have been payable under your present policy or certificate.

(2) State law provides that your replacement policy or certificate may not contain new preexisting conditions, waiting periods, elimination periods, or probationary periods. The insurer will waive any time periods applicable to preexisting conditions, waiting periods, elimination periods, or probationary periods in the new policy (or coverage) for similar benefits to the extent the time was spent (depleted) under the original policy or certificate.

(3) If you still wish to terminate your present policy or certificate and replace it with new coverage, be certain to truthfully and completely answer all questions on the application concerning your medical and health history. Failure to include all material medical information on an application may provide a basis for the company to deny any future claims and to refund your premium as though your policy or certificate had never been in force. After the application has been completed and before you sign it, review it carefully to be certain that all information has been properly recorded. (If the policy or certificate is guaranteed issue, this paragraph need not appear.)

Do not cancel your present policy or certificate until you have received your new policy or certificate and you are sure that you want to keep it.

.....
(Signature of Agent, Broker, or Other Representative)*
.....
(Typed Name and Address of Issuer, Agent, or Broker)
.....
(Date)
.....
(Applicant's Signature)
.....
(Date)

*Signature not required for direct response sales."

(f) Paragraph (e), clauses (1) and (2), of the replacement notice (applicable to preexisting conditions) may be deleted by an issuer if the replacement does not involve application of a new preexisting condition limitation.

Sec. 8. **REPEALER.**

(a) Minnesota Statutes 2024, sections 62A.3099, subdivision 18b; and 62A.31, subdivision 1w, are repealed.

(b) Laws 2023, chapter 57, article 2, section 66, is repealed.

Sec. 9. **EFFECTIVE DATE.**

Sections 1 to 8 are effective the day following final enactment.

ARTICLE 5
INSURANCE HOLDING COMPANY SYSTEMS

Section 1. Minnesota Statutes 2024, section 60D.09, is amended by adding a subdivision to read:

Subd. 5. **Other violations.** If the commissioner believes a person has committed a violation of section 60D.17 that prevents the full understanding of the enterprise risk to the insurer by affiliates or by the insurance holding company system, the violation may serve as an independent basis for disapproving dividends or distributions and for placing the insurer under an order of supervision under chapter 60B.

Sec. 2. Minnesota Statutes 2024, section 60D.15, subdivision 4, is amended to read:

Subd. 4. **Control.** The term "control," including the terms "controlling," "controlled by," and "under common control with," means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or nonmanagement services, or otherwise, unless the power is the result of an official position with~~,~~ or corporate office held by~~, or court appointment of,~~ the person. Control is presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing, ten percent or more of the voting securities of any other person. This presumption may be rebutted by a showing made in the manner provided by section 60D.19, subdivision 11, that control does not exist in fact. The commissioner may determine, after furnishing all persons in interest notice and opportunity to be heard and making specific findings of fact to support ~~such~~ the determination, that control exists in fact, notwithstanding the absence of a presumption to that effect.

Sec. 3. Minnesota Statutes 2024, section 60D.15, is amended by adding a subdivision to read:

Subd. 4c. **Group capital calculation instructions.** "Group capital calculation instructions" means the group capital calculation instructions adopted by the NAIC and as amended by the NAIC from time to time in accordance with procedures adopted by the NAIC.

Sec. 4. Minnesota Statutes 2024, section 60D.15, is amended by adding a subdivision to read:

Subd. 6b. **NAIC.** "NAIC" means the National Association of Insurance Commissioners.

Sec. 5. Minnesota Statutes 2024, section 60D.15, is amended by adding a subdivision to read:

Subd. 6c. **NAIC liquidity stress test framework.** "NAIC liquidity stress test framework" means an NAIC publication which includes a history of the NAIC's development of regulatory liquidity stress testing, the scope criteria applicable for a specific data year, and the liquidity stress test instructions and reporting templates for a specific data year, scope criteria, instructions, and reporting template being adopted by the NAIC, and as amended by the NAIC from time to time in accordance with the procedures adopted by the NAIC.

Sec. 6. Minnesota Statutes 2024, section 60D.15, subdivision 7, is amended to read:

Subd. 7. **Person.** A "person" is an individual, a corporation, a limited liability company, a partnership, an association, a joint stock company, a trust, an unincorporated organization, any similar entity or any combination of the foregoing acting in concert, but does not include any joint venture partnership exclusively engaged in owning, managing, leasing, or developing real or tangible personal property.

Sec. 7. Minnesota Statutes 2024, section 60D.15, is amended by adding a subdivision to read:

Subd. 7a. **Scope criteria.** "Scope criteria," as detailed in the NAIC liquidity stress test framework, means the designated exposure bases along with minimum magnitudes of the designated exposure bases for the specified data year that are used to establish a preliminary list of insurers considered scoped into the NAIC liquidity stress test framework for that data year.

Sec. 8. Minnesota Statutes 2024, section 60D.16, subdivision 2, is amended to read:

Subd. 2. **Additional investment authority.** In addition to investments in common stock, preferred stock, debt obligations, and other securities otherwise permitted under this chapter, a domestic insurer may also:

(a) Invest, in common stock, preferred stock, debt obligations, and other securities of one or more subsidiaries, amounts that do not exceed the lesser of ten percent of the insurer's assets or 50 percent of the insurer's surplus as regards policyholders, provided that after the investments, the insurer's surplus as regards policyholders ~~will be~~ is reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs. In calculating the amount of these investments, investments in domestic or foreign insurance subsidiaries and health maintenance organizations must be excluded, and there must be included:

(1) total net money or other consideration expended and obligations assumed in the acquisition or formation of a subsidiary, including all organizational expenses and contributions to capital and surplus of the subsidiary whether or not represented by the purchase of capital stock or issuance of other securities; and

(2) all amounts expended in acquiring additional common stock, preferred stock, debt obligations, and other securities; and all contributions to the capital or surplus~~,~~ of a subsidiary subsequent to its acquisition or formation.

(b) Invest any amount in common stock, preferred stock, debt obligations, and other securities of one or more subsidiaries engaged or organized to engage exclusively in the ownership and management of assets authorized as investments for the insurer provided that the subsidiary agrees to limit its investments in any asset so that the investments ~~will~~ do not cause the amount of the total investment of the insurer to exceed any of the investment limitations specified in paragraph (a) or other statutes applicable to the insurer. For the purpose of this paragraph, "the total investment of the insurer" includes:

(1) any direct investment by the insurer in an asset; and

(2) the insurer's proportionate share of any investment in an asset by any subsidiary of the insurer, which must be calculated by multiplying the amount of the subsidiary's investment by the percentage of the ownership of the subsidiary.

(c) With the approval of the commissioner, invest any greater amount in common stock, preferred stock, debt obligations, or other securities of one or more subsidiaries, if after the investment the insurer's surplus as regards policyholders ~~will be~~ is reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs.

Sec. 9. Minnesota Statutes 2024, section 60D.17, subdivision 1, is amended to read:

Subdivision 1. **Filing requirements.** (a) No person other than the issuer shall: (1) make a tender offer for or a request or invitation for tenders of, or enter into any agreement to exchange securities ~~or~~ for, seek to acquire, or acquire, in the open market or otherwise, any voting security of a domestic insurer if, after the consummation thereof, the person would, directly or indirectly, or by conversion or by exercise of any right to acquire, be in control of the insurer; or (2) enter into an agreement to merge with or otherwise to acquire control of a domestic insurer or any person controlling a domestic insurer unless, at the time the offer, request, or invitation is made or the agreement is entered into, or before the acquisition of the securities if no offer or agreement is involved, the person has filed with the commissioner and has sent to the insurer, a statement containing the information required by this section and the offer, request, invitation, agreement, or acquisition has been approved by the commissioner in the manner prescribed in this section.

(b) For purposes of this section, a controlling person of a domestic insurer seeking to divest its controlling interest in the domestic insurer, in any manner, shall file with the commissioner, with a copy to the insurer, confidential notice of its proposed divestiture at least 30 days before the cessation of control. The commissioner shall determine those instances in which the party or parties seeking to divest or to acquire a controlling interest in an insurer will be required to file for and obtain approval of the transaction.

(c) With respect to a transaction subject to this section, the acquiring person must also file a preacquisition notification with the commissioner, which must contain the information set forth in section 60D.18, subdivision 3, paragraph (b). A failure to file the notification may be subject to penalties specified in section 60D.18, subdivision 5.

(d) For purposes of this section, a domestic insurer includes a person controlling a domestic insurer unless the person, as determined by the commissioner, is either directly or through its affiliates primarily engaged in business other than the business of insurance. For the purposes of this section, "person" does not include any securities broker holding, in the usual and customary ~~brokers~~ broker's function, less than 20 percent of the voting securities of an insurance company or of any person that controls an insurance company.

(e) The statement filed with the commissioner pursuant to subdivisions 1 and 2 must remain confidential until the transaction is approved by the commissioner, except that all attachments filed with the statement remain confidential after the approval unless the commissioner, in the commissioner's discretion, determines that confidential treatment of any of this information will interfere with enforcement of this section.

Sec. 10. Minnesota Statutes 2024, section 60D.18, subdivision 3, is amended to read:

Subd. 3. **Preacquisition notification; waiting period.** (a) An acquisition covered by subdivision 2 may be subject to an order pursuant to subdivision ~~4~~ 5 unless the acquiring person files a preacquisition notification and the waiting period has expired. The acquired person may file a preacquisition notification. The commissioner shall give confidential treatment to information submitted under this section in the same manner as provided in section 60D.22.

(b) The preacquisition notification must be in the form and contain the information as prescribed by the National Association of Insurance Commissioners relating to those markets that, under subdivision 2, paragraph (b), clause ~~(5)~~ (4), cause the acquisition not to be exempted from the provisions of this section. The commissioner may require ~~the~~ additional material and information as the commissioner deems necessary to determine whether the proposed acquisition, if consummated, would violate the competitive standard of subdivision 4. The required information may include an opinion of an economist as to the competitive impact of the acquisition in this state accompanied by a summary of the education and experience of the person indicating that person's ability to render an informed opinion.

(c) The waiting period required begins on the date of receipt of the commissioner of a preacquisition notification and ends on the earlier of the 30th day after the date of its receipt, or termination of the waiting period by the commissioner. Before the end of the waiting period, the commissioner on a onetime basis may require the submission of additional needed information relevant to the proposed acquisition, in which event the waiting period shall end on the earlier of the 30th day after receipt of the additional information by the commissioner or termination of the waiting period by the commissioner.

Sec. 11. Minnesota Statutes 2024, section 60D.19, subdivision 4, is amended to read:

Subd. 4. **Materiality.** No information need be disclosed on the registration statement filed pursuant to subdivision 2 if the information is not material for the purposes of this section. Unless the commissioner by rule or order provides otherwise; sales, purchases, exchanges, loans or extensions of credit, investments, or guarantees involving one-half of one percent or less of an insurer's admitted assets as of the 31st day of December next preceding shall not be deemed material for purposes of this section. The definition of materiality provided in this subdivision does not apply for purposes of the group capital calculation or the NAIC liquidity stress test framework.

Sec. 12. Minnesota Statutes 2024, section 60D.19, is amended by adding a subdivision to read:

Subd. 11b. **Group capital calculation.** (a) Except as otherwise provided in this paragraph, the ultimate controlling person of every insurer subject to registration must concurrently file with the registration an annual group capital calculation as directed by the commissioner. The report must be completed in accordance with the NAIC group capital calculation instructions, which may permit the commissioner to allow a controlling person that is not the ultimate controlling person to file the group capital calculation. The report must be filed with the commissioner, as determined by the commissioner in accordance with the procedures within the Financial Analysis Handbook adopted by the NAIC. The following insurance holding company systems are exempt from filing the group capital calculation:

(1) an insurance holding company system that (i) has only one insurer within the insurance holding company system's holding company structure, (ii) only writes business and is only licensed in the insurance holding company system's domestic state, and (iii) assumes no business from any other insurer;

(2) an insurance holding company system that is required to perform a group capital calculation specified by the United States Federal Reserve Board. The commissioner must request the calculation from the Federal Reserve Board under the terms of information sharing agreements in effect. If the Federal Reserve Board is unable to share the calculation with the commissioner, the insurance holding company system is not exempt from the group capital calculation filing;

(3) an insurance holding company system whose non-United States groupwide supervisor is located within a reciprocal jurisdiction as described in section 60A.092, subdivision 10b, that recognizes the United States state regulatory approach to group supervision and group capital; or

(4) an insurance holding company system:

(i) that provides information to the commissioner that meets the requirements for accreditation under the NAIC financial standards and accreditation program, either directly or indirectly through the groupwide supervisor, that has determined the information is satisfactory to allow the commissioner to comply with the NAIC group supervision approach, as detailed in the NAIC Financial Analysis Handbook; and

(ii) whose non-United States groupwide supervisor that is not in a reciprocal jurisdiction recognizes and accepts, as specified by the commissioner by rule, the group capital calculation as the worldwide group capital assessment for United States insurance groups that operate in that jurisdiction.

(b) Notwithstanding paragraph (a), clauses (3) and (4), a commissioner must require the group capital calculation for the United States operations of any non-United States based insurance holding company system where, after any necessary consultation with other supervisors or officials, requiring the group capital calculation is deemed appropriate by the commissioner for prudential oversight and solvency monitoring purposes or for ensuring the competitiveness of the insurance marketplace.

(c) Notwithstanding the exemptions from filing the group capital calculation under paragraph (a), the commissioner may exempt the ultimate controlling person from filing the annual group capital calculation or accept a limited group capital filing or report in accordance with criteria specified by the commissioner by rule.

(d) If the commissioner determines that an insurance holding company system no longer meets one or more of the requirements for an exemption from filing the group capital calculation under this subdivision, the insurance holding company system must file the group capital calculation at the next annual filing date unless given an extension by the commissioner based on reasonable grounds shown.

Sec. 13. Minnesota Statutes 2024, section 60D.19, is amended by adding a subdivision to read:

Subd. 11c. **Liquidity stress test.** (a) The ultimate controlling person of every insurer subject to registration and also scoped into the NAIC liquidity stress test framework must file the results of a specific year's liquidity stress test. The filing must be made to the commissioner, as determined by the procedures within the Financial Analysis Handbook adopted by the NAIC.

(b) The NAIC liquidity stress test framework includes scope criteria applicable to a specific data year. The scope criteria must be reviewed at least annually by the NAIC Financial Stability Task Force or the NAIC Financial Stability Task Force's successor. Any change made to the NAIC liquidity stress test framework or to the data year for which the scope criteria must be measured is effective January 1 of the year following the calendar year in which the change is adopted. An insurer meeting at least one threshold of the scope criteria is scoped into the NAIC liquidity stress test framework for the specified data year unless the commissioner, in consultation with the NAIC Financial Stability Task Force or the NAIC Financial Stability Task Force's successor, determines the insurer should not be scoped into the framework for that data year. An insurer that does not trigger at least one threshold of the scope criteria is scoped out of the NAIC liquidity stress test framework for the specified data year unless the commissioner, in consultation with the NAIC Financial Stability Task Force or the NAIC Financial Stability Task Force's successor, determines the insurer should be scoped into the framework for the specified data year.

(c) The commissioner and other state insurance commissioners must avoid scoping insurers in and out of the NAIC liquidity stress test framework on a frequent basis. The commissioner, in consultation with the NAIC Financial Stability Task Force or the NAIC Financial Stability Task Force's successor, must assess irregular scope status as part of an insurer's determination.

(d) The performance of and filing of the results from a specific year's liquidity stress test must comply with (1) the NAIC liquidity stress test framework's instructions and reporting templates for the specific year, and (2) any commissioner determinations, in consultation with the NAIC Financial Stability Task Force or the NAIC Financial Stability Task Force's successor, provided within the framework.

Sec. 14. **[60D.195] GROUP CAPITAL CALCULATION.**

Subdivision 1. **Annual group capital calculation; exemption permitted.** The commissioner may exempt the ultimate controlling person from filing the annual group capital calculation if the commissioner makes a determination that the insurance holding company system meets the following criteria:

(1) has annual direct written and unaffiliated assumed premium, including international direct and assumed premium but excluding premiums reinsured with the Federal Crop Insurance Corporation and Federal Flood Program, of less than $1,000,000,000;

(2) has no insurers within the insurance holding company's structure that are domiciled outside of the United States or a United States territory;

(3) has no banking, depository, or other financial entity that is subject to an identified regulatory capital framework within the insurance holding company's structure;

(4) attests that no material changes in the transactions between insurers and noninsurers in the group have occurred since the last annual group capital filing; and

(5) the noninsurers within the holding company system do not pose a material financial risk to the insurer's ability to honor policyholder obligations.

Subd. 2. **Limited group capital filing.** The commissioner may accept a limited group capital filing in lieu of the group capital calculation if:

(1) the insurance holding company system has annual direct written and unaffiliated assumed premium, including international direct and assumed premium but excluding premiums reinsured with the Federal Crop Insurance Corporation and Federal Flood Program, of less than $1,000,000,000; and

(2) the insurance holding company system:

(i) has no insurers within the insurance holding company's structure that are domiciled outside of the United States or a United States territory;

(ii) does not include a banking, depository, or other financial entity that is subject to an identified regulatory capital framework; and

(iii) attests that no material changes in transactions between insurers and noninsurers in the group have occurred and the noninsurers within the holding company system do not pose a material financial risk to the insurer's ability to honor policyholder obligations.

Subd. 3. **Previous exemption; required filing.** For an insurance holding company that has previously met an exemption with respect to the group capital calculation under subdivision 1 or 2, the commissioner may at any time require the ultimate controlling person to file an annual group capital calculation, completed in accordance with the NAIC group capital calculation instructions, if:

(1) an insurer within the insurance holding company system is in a risk-based capital action level event under section 60A.62 or a similar standard for a non-United States insurer;

(2) an insurer within the insurance holding company system meets one or more of the standards of an insurer deemed to be in hazardous financial condition, as defined under section 60E.02, subdivision 5; or

(3) an insurer within the insurance holding company system otherwise exhibits qualities of a troubled insurer, as determined by the commissioner based on unique circumstances, including but not limited to the type and volume of business written, ownership and organizational structure, federal agency requests, and international supervisor requests.

Subd. 4. **Non-United States jurisdictions; recognition and acceptance.** A non-United States jurisdiction is deemed to recognize and accept the group capital calculation if the non-United States jurisdiction:

(1) with respect to section 60D.19, subdivision 11b, paragraph (a), clause (4):

(i) recognizes the United States state regulatory approach to group supervision and group capital by providing confirmation by a competent regulatory authority in the non-United States jurisdiction that insurers and insurance groups whose lead state is accredited by the NAIC under the NAIC accreditation program: (A) are subject only to worldwide prudential insurance group supervision, including worldwide group governance, solvency and capital, and reporting, as applicable, by the lead state; and (B) are not subject to group supervision, including worldwide group governance, solvency and capital, and reporting, at the level of the worldwide parent undertaking of the insurance or reinsurance group by the non-United States jurisdiction; or

(ii) if no United States insurance group operates in the non-United States jurisdiction, indicates formally in writing to the lead state with a copy to the International Association of Insurance Supervisors that the group capital calculation is an acceptable international capital standard. The formal indication under this item serves as the documentation otherwise required under item (i); and

(2) provides confirmation by a competent regulatory authority in the non-United States jurisdiction that information regarding an insurer and the insurer's parent, subsidiary, or affiliated entities, if applicable, must be provided to the commissioner in accordance with a memorandum of understanding or similar document between the commissioner and the non-United States jurisdiction, including but not limited to the International Association of Insurance Supervisors Multilateral Memorandum of Understanding or other multilateral memoranda of understanding coordinated by the NAIC. The commissioner must determine, in consultation with the NAIC committee process, if the information sharing agreement requirements are effective.

Subd. 5. **Non-United States jurisdiction; publication.** (a) A list of non-United States jurisdictions that recognize and accept the group capital calculation under section 60D.19, subdivision 11b, paragraph (a), clause (4), must be published through the NAIC committee process to assist the commissioner determine what insurers must file an annual group capital calculation. The list must clarify the situations in which a jurisdiction is exempt from filing under section 60D.19, subdivision 11b, paragraph (a), clause (4). To assist with a determination under section 60D.19, subdivision 11b, paragraph (b), the list must also identify whether a jurisdiction that is exempt under section 60D.19, subdivision 11b, paragraph (a), clause (3) or (4), requires a group capital filing for any United States insurance group's operations in the non-United States jurisdiction.

(b) For a non-United States jurisdiction where no United States insurance group operates, the confirmation provided to comply with subdivision 4, clause (1), item (ii), serves as support for a recommendation to be published that the non-United States jurisdiction is a jurisdiction that recognizes and accepts the group capital calculation pursuant to the NAIC committee process.

(c) If the commissioner makes a determination pursuant to section 60D.19, subdivision 11b, that differs from the NAIC list, the commissioner must provide thoroughly documented justification to the NAIC and other states.

(d) Upon a determination by the commissioner that a non-United States jurisdiction no longer meets one or more of the requirements to recognize and accept the group capital calculation, the commissioner may provide a recommendation to the NAIC that the non-United States jurisdiction be removed from the list of jurisdictions that recognize and accept the group capital calculation.

Sec. 15. Minnesota Statutes 2024, section 60D.20, subdivision 1, is amended to read:

Subdivision 1. **Transactions within an insurance holding company system.** (a) Transactions within an insurance holding company system to which an insurer subject to registration is a party are subject to the following standards:

(1) the terms shall be fair and reasonable;

(2) agreements for cost-sharing services and management shall include the provisions required by rule issued by the commissioner;

(3) charges or fees for services performed shall be reasonable;

(4) expenses incurred and payment received shall be allocated to the insurer in conformity with customary insurance accounting practices consistently applied;

(5) the books, accounts, and records of each party to all such transactions shall be so maintained as to clearly and accurately disclose the nature and details of the transactions including this accounting information as is necessary to support the reasonableness of the charges or fees to the respective parties; ~~and~~

(6) the insurer's surplus as regards policyholders following any dividends or distributions to shareholder affiliates shall be reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs~~.~~;

(7) if the commissioner determines an insurer subject to this chapter is in a hazardous financial condition, as defined under section 60E.02, subdivision 5, or a condition that would be grounds for supervision, conservation, or a delinquency proceeding, the commissioner may require the insurer to secure and maintain either a deposit, held by the commissioner, or a bond, as determined by the insurer at the insurer's discretion, to protect the insurer for the duration of the contract, agreement, or the existence of the condition for which the commissioner required the deposit or bond. When determining whether a deposit or bond is required, the commissioner must consider whether concerns exist with respect to the affiliated person's ability to fulfill the contract or agreement if the insurer entered into liquidation. Once the insurer is deemed to be in a hazardous financial condition or a condition that would be grounds for supervision, conservation, or a delinquency proceeding, and a deposit or bond is necessary, the commissioner may determine the amount of the deposit or bond, not to exceed the value of the contract or agreement in any one year, and whether the deposit or bond is required for a single contract, multiple contracts, or a contract only with a specific person or persons;

(8) all of an insurer's records and data held by an affiliate are and remain the property of the insurer, are subject to control of the insurer, are identifiable, and are segregated or readily capable of segregation, at no additional cost to the insurer, from all other persons' records and data. For purposes of this clause, records and data include all records and data that are otherwise the property of the insurer in whatever form maintained, including but not limited to claims and claim files, policyholder lists, application files, litigation files, premium records, rate books, underwriting manuals, personnel records, financial records, or similar records within the affiliate's possession, custody, or control. At the request of the insurer, the affiliate must provide that the receiver may (i) obtain a complete set of all records of any type that pertain to the insurer's business, (ii) obtain access to the operating systems on which the data are maintained, (iii) obtain the software that runs the operating systems either through assumption of licensing agreements or otherwise, and (iv) restrict the use of the data by the affiliate if the affiliate is not operating the insurer's business. The affiliate must provide a waiver of any landlord lien or other encumbrance to provide the insurer access to all records and data in the event the affiliate defaults under a lease or other agreement; and

(9) premiums or other funds belonging to the insurer that are collected or held by an affiliate are the exclusive property of the insurer and are subject to the control of the insurer. Any right of offset in the event an insurer is placed into receivership is subject to chapter 576.

(b) The following transactions involving a domestic insurer and any person in its insurance holding company system, including amendments or modifications of affiliate agreements previously filed pursuant to this section, which are subject to any materiality standards contained in clauses (1) to (7), may not be entered into unless the insurer has notified the commissioner in writing of its intention to enter into the transaction at least 30 days prior thereto, or a shorter period the commissioner permits, and the commissioner has not disapproved it within this period. The notice for amendments or modifications must include the reasons for the change and the financial impact on the domestic insurer. Informal notice must be reported, within 30 days after a termination of a previously filed agreement, to the commissioner for determination of the type of filing required, if any:

(1) sales, purchases, exchanges, loans or extensions of credit, guarantees, or investments provided the transactions are equal to or exceed: (i) with respect to nonlife insurers, the lesser of three percent of the insurer's admitted assets, or 25 percent of surplus as regards policyholders; (ii) with respect to life insurers, three percent of the insurer's admitted assets; each as of the 31st day of December next preceding;

(2) loans or extensions of credit to any person who is not an affiliate, where the insurer makes the loans or extensions of credit with the agreement or understanding that the proceeds of the transactions, in whole or in substantial part, are to be used to make loans or extensions of credit to, to purchase assets of, or to make investments in, any affiliate of the insurer making such loans or extensions of credit provided the transactions are equal to or exceed: (i) with respect to nonlife insurers, the lesser of three percent of the insurer's admitted assets or 25 percent of surplus as regards policyholders; (ii) with respect to life insurers, three percent of the insurer's admitted assets; each as of the 31st day of December next preceding;

(3) reinsurance agreements or modifications to those agreements, including: (i) all reinsurance pooling agreements; and (ii) agreements in which the reinsurance premium or a change in the insurer's liabilities, or the projected reinsurance premium or a change in the insurer's liabilities in any of the next three years, equals or exceeds five percent of the insurer's surplus as regards policyholders, as of the 31st day of December next preceding, including those agreements which may require as consideration the transfer of assets from an insurer to a nonaffiliate, if an agreement or understanding exists between the insurer and nonaffiliate that any portion of ~~such~~ the assets will be transferred to one or more affiliates of the insurer;

(4) all management agreements, service contracts, tax allocation agreements, guarantees, and all cost-sharing arrangements;

(5) guarantees when made by a domestic insurer; provided, however, that a guarantee which is quantifiable as to amount is not subject to the notice requirements of this paragraph unless it exceeds the lesser of one-half of one percent of the insurer's admitted assets or ten percent of surplus as regards policyholders as of the 31st day of December next preceding. Further, all guarantees which are not quantifiable as to amount are subject to the notice requirements of this paragraph;

(6) direct or indirect acquisitions or investments in a person that controls the insurer or in an affiliate of the insurer in an amount which, together with its present holdings in the investments, exceeds 2-1/2 percent of the insurer's surplus to policyholders. Direct or indirect acquisitions or investments in subsidiaries acquired pursuant to section 60D.16, as otherwise authorized under this chapter, or in nonsubsidiary insurance affiliates that are subject to the provisions of sections 60D.15 to 60D.29, are exempt from this requirement; and

(7) any material transactions, specified by regulation, which the commissioner determines may adversely affect the interests of the insurer's policyholders.

Nothing contained in this section authorizes or permits any transactions that, in the case of an insurer not a member of the same insurance holding company system, would be otherwise contrary to law.

(c) A domestic insurer may not enter into transactions which are part of a plan or series of like transactions with persons within the insurance holding company system if the purpose of those separate transactions is to avoid the statutory threshold amount and thus avoid the review that would occur otherwise. If the commissioner determines that the separate transactions were entered into over any 12-month period for the purpose, the commissioner may exercise the authority under section 60D.25.

(d) The commissioner, in reviewing transactions pursuant to paragraph (b), shall consider whether the transactions comply with the standards set forth in paragraph (a), and whether they may adversely affect the interests of policyholders.

(e) The commissioner shall be notified within 30 days of any investment of the domestic insurer in any one corporation if the total investment in the corporation by the insurance holding company system exceeds ten percent of the corporation's voting securities.

(f) An affiliate that is party to an agreement or contract with a domestic insurer that is subject to paragraph (b), clause (4), is subject to the jurisdiction of any supervision, seizure, conservatorship, or receivership proceedings against the insurer and to the authority of a supervisor, conservator, rehabilitator, or liquidator for the insurer appointed pursuant to chapters 60B and 576 for the purpose of interpreting, enforcing, and overseeing the affiliate's obligations under the agreement or contract to perform services for the insurer that are: (1) an integral part of the insurer's operations, including but not limited to management, administrative, accounting, data processing, marketing, underwriting, claims handling, investment, or any other similar functions; or (2) essential to the insurer's ability to fulfill the insurer's obligations under insurance policies. The commissioner may require that an agreement or contract pursuant to paragraph (b), clause (4), to provide the services described in clauses (1) and (2) must specify that the affiliate consents to the jurisdiction as provided under this paragraph.

Sec. 16. Minnesota Statutes 2024, section 60D.217, is amended to read:

60D.217 GROUPWIDE SUPERVISION OF INTERNATIONALLY ACTIVE INSURANCE GROUPS.

(a) The commissioner is authorized to act as the groupwide supervisor for any internationally active insurance group in accordance with the provisions of this section. However, the commissioner may otherwise acknowledge another regulatory official as the groupwide supervisor where the internationally active insurance group:

(1) does not have substantial insurance operations in the United States;

(2) has substantial insurance operations in the United States, but not in this state; or

(3) has substantial insurance operations in the United States and this state, but the commissioner has determined pursuant to the factors set forth in ~~subsections~~ paragraphs (b) and (f) that the other regulatory official is the appropriate groupwide supervisor.

An insurance holding company system that does not otherwise qualify as an internationally active insurance group may request that the commissioner make a determination or acknowledgment as to a groupwide supervisor pursuant to this section.

(b) In cooperation with other state, federal, and international regulatory agencies, the commissioner ~~will~~ must identify a single groupwide supervisor for an internationally active insurance group. The commissioner may determine that the commissioner is the appropriate groupwide supervisor for an internationally active insurance group that conducts substantial insurance operations concentrated in this state. However, the commissioner may acknowledge that a regulatory official from another jurisdiction is the appropriate groupwide supervisor for the internationally active insurance group. The commissioner shall consider the following factors when making a determination or acknowledgment under this ~~subsection~~ paragraph:

(1) the place of domicile of the insurers within the internationally active insurance group that hold the largest share of the group's written premiums, assets, or liabilities;

(2) the place of domicile of the top-tiered ~~insurer(s)~~ insurer or insurers in the insurance holding company system of the internationally active insurance group;

(3) the location of the executive offices or largest operational offices of the internationally active insurance group;

(4) whether another regulatory official is acting or is seeking to act as the groupwide supervisor under a regulatory system that the commissioner determines to be:

(i) substantially similar to the system of regulation provided under the laws of this state; or

(ii) otherwise sufficient in terms of providing for groupwide supervision, enterprise risk analysis, and cooperation with other regulatory officials; and

(5) whether another regulatory official acting or seeking to act as the groupwide supervisor provides the commissioner with reasonably reciprocal recognition and cooperation.

However, a commissioner identified under this section as the groupwide supervisor may determine that it is appropriate to acknowledge another supervisor to serve as the groupwide supervisor. The acknowledgment of the groupwide supervisor shall be made after consideration of the factors listed in clauses (1) to (5), and shall be made in cooperation with and subject to the acknowledgment of other regulatory officials involved with supervision of members of the internationally active insurance group, and in consultation with the internationally active insurance group.

(c) Notwithstanding any other provision of law, when another regulatory official is acting as the groupwide supervisor of an internationally active insurance group, the commissioner shall acknowledge that regulatory official as the groupwide supervisor. However, in the event of a material change in the internationally active insurance group that results in:

(1) the internationally active insurance group's insurers domiciled in this state holding the largest share of the group's premiums, assets, or liabilities; or

(2) this state being the place of domicile of the top-tiered ~~insurer(s)~~ insurer or insurers in the insurance holding company system of the internationally active insurance group,

the commissioner shall make a determination or acknowledgment as to the appropriate groupwide supervisor for such an internationally active insurance group pursuant to ~~subsection~~ paragraph (b).

(d) Pursuant to section 60D.21, the commissioner is authorized to collect from any insurer registered pursuant to section 60D.19 all information necessary to determine whether the commissioner may act as the groupwide supervisor of an internationally active insurance group or if the commissioner may acknowledge another regulatory official to act as the groupwide supervisor. Prior to issuing a determination that an internationally active insurance group is subject to groupwide supervision by the commissioner, the commissioner shall notify the insurer registered pursuant to section 60D.19 and the ultimate controlling person within the internationally active insurance group. The internationally active insurance group shall have not less than 30 days to provide the commissioner with additional information pertinent to the pending determination. The commissioner shall publish in the State Register and on the department's website the identity of internationally active insurance groups that the commissioner has determined are subject to groupwide supervision by the commissioner.

(e) If the commissioner is the groupwide supervisor for an internationally active insurance group, the commissioner is authorized to engage in any of the following groupwide supervision activities:

(1) assess the enterprise risks within the internationally active insurance group to ensure that:

(i) the material financial condition and liquidity risks to the members of the internationally active insurance group that are engaged in the business of insurance are identified by management; and

(ii) reasonable and effective mitigation measures are in place; or

(2) request, from any member of an internationally active insurance group subject to the commissioner's supervision, information necessary and appropriate to assess enterprise risk, including but not limited to information about the members of the internationally active insurance group regarding:

(i) governance, risk assessment, and management;

(ii) capital adequacy; and

(iii) material intercompany transactions;

(3) coordinate and, through the authority of the regulatory officials of the jurisdictions where members of the internationally active insurance group are domiciled, compel development and implementation of reasonable measures designed to ensure that the internationally active insurance group is able to timely recognize and mitigate enterprise risks to members of ~~such~~ the internationally active insurance group that are engaged in the business of insurance;

(4) communicate with other state, federal and international regulatory agencies for members within the internationally active insurance group and share relevant information subject to the confidentiality provisions of section 60D.22, through supervisory colleges as set forth in section 60D.215 or otherwise;

(5) enter into agreements with or obtain documentation from any insurer registered under section 60D.19, any member of the internationally active insurance group, and any other state, federal, and international regulatory agencies for members of the internationally active insurance group, providing the basis for or otherwise clarifying the commissioner's role as groupwide supervisor, including provisions for resolving disputes with other regulatory officials. ~~Such~~ Agreements or documentation under this clause shall not serve as evidence in any proceeding that any insurer or person within an insurance holding company system not domiciled or incorporated in this state is doing business in this state or is otherwise subject to jurisdiction in this state; and

(6) other groupwide supervision activities, consistent with the authorities and purposes enumerated above, as considered necessary by the commissioner.

(f) If the commissioner acknowledges that another regulatory official from a jurisdiction that is not accredited by the NAIC is the groupwide supervisor, the commissioner is authorized to reasonably cooperate, through supervisory colleges or otherwise, with groupwide supervision undertaken by the groupwide supervisor, provided that:

(1) the commissioner's cooperation is in compliance with the laws of this state; and

(2) the regulatory official acknowledged as the groupwide supervisor also recognizes and cooperates with the commissioner's activities as a groupwide supervisor for other internationally active insurance groups where applicable. Where ~~such~~ recognition and cooperation by the groupwide supervisor is not reasonably reciprocal, the commissioner is authorized to refuse recognition and cooperation.

(g) The commissioner is authorized to enter into agreements with or obtain documentation from any insurer registered under section 60D.19, any affiliate of the insurer, and other state, federal, and international regulatory agencies for members of the internationally active insurance group, that provide the basis for or otherwise clarify a regulatory official's role as groupwide supervisor.

(h) A registered insurer subject to this section shall be liable for and shall pay the reasonable expenses of the commissioner's participation in the administration of this section, including the engagement of attorneys, actuaries, and any other professionals and all reasonable travel expenses.

Sec. 17. Minnesota Statutes 2024, section 60D.22, subdivision 1, is amended to read:

Subdivision 1. **Classification protection and use of information by commissioner.** (a) Documents, materials, or other information in the possession or control of the department that are obtained by or disclosed to the commissioner or any other person in the course of an examination or investigation made pursuant to section 60D.21 and all information reported pursuant to sections 60D.17, except as provided in section 60D.17, subdivision 1, paragraph (e); 60D.18; 60D.19; ~~and~~ 60D.20~~,~~; and 60D.217, are classified as confidential or protected nonpublic or both, are not subject to subpoena, and are not subject to discovery or admissible in evidence in a private civil action. However, the commissioner may use the documents, materials, or other information in the furtherance of any regulatory or legal action brought as a part of the commissioner's official duties. The commissioner shall not otherwise make the documents, materials, or other information public without the prior written consent of the insurer to which it pertains unless the commissioner, after giving the insurer and its affiliates who would be affected by this action notice and opportunity to be heard, determines that the interest of policyholders, shareholders, or the public ~~will be~~ is served by the publication of it, in which event the commissioner may publish all or any part in the manner the commissioner deems appropriate.

(b) For purposes of the information reported and provided to the department pursuant to section 60D.19, subdivision 11b, the commissioner must maintain the confidentiality of the group capital calculation and group capital ratio produced within the calculation and any group capital information received from an insurance holding company supervised by the Federal Reserve Board or any United States groupwide supervisor.

(c) For purposes of the information reported and provided to the department pursuant to section 60D.19, subdivision 11c, the commissioner must maintain the confidentiality of the liquidity stress test results and supporting disclosures and any liquidity stress test information received from an insurance holding company supervised by the Federal Reserve Board and non-United States groupwide supervisors.

Sec. 18. Minnesota Statutes 2024, section 60D.22, subdivision 3, is amended to read:

Subd. 3. **Sharing of information.** In order to assist in the performance of the commissioner's duties, the commissioner:

(1) may share documents, materials, or other information, including the confidential, protected nonpublic, and privileged documents, materials, or information subject to this section, including proprietary and trade secret documents and materials, with: (i) other state, federal, and international regulatory agencies~~, with~~; (ii) the NAIC ~~and its affiliates and subsidiaries,~~; (iii) any third-party consultants designated by the commissioner; and ~~with~~ (iv) state, federal, and international law enforcement authorities, including members of any supervisory college described in section 60D.215, provided that the recipient agrees in writing to maintain the confidentiality and privileged status of the document, material, or other information, and has verified in writing the legal authority to maintain confidentiality;

(2) notwithstanding clause (1), may only share confidential, protected nonpublic, and privileged documents, materials, or information reported pursuant to section 60D.19, subdivision 11a, with commissioners of states having statutes or regulations substantially similar to subdivision 1 and who have agreed in writing not to disclose this information;

(3) may receive documents, materials, or information, including otherwise confidential and privileged documents, materials, or information from the NAIC and ~~its~~ the NAIC's affiliates and subsidiaries and from regulatory and law enforcement officials of other foreign or domestic jurisdictions, and shall maintain as confidential, protected nonpublic, or privileged any document, material, or information received with notice or the understanding that it is confidential or privileged under the laws of the jurisdiction that is the source of the document, material, or information; and

(4) shall enter into written agreements with the NAIC and a third-party consultant designated by the commissioner governing sharing and use of information provided pursuant to sections 60D.15 to 60D.29 consistent with this clause that shall:

(i) specify procedures and protocols regarding the confidentiality and security of information shared with the NAIC ~~and its affiliates and subsidiaries~~ or a third-party consultant designated by the commissioner pursuant to sections 60D.15 to 60D.29, including procedures and protocols for sharing by the NAIC with other state, federal, or international regulators. The agreement must provide that the recipient agrees in writing to maintain the confidentiality and privileged status of the documents, materials, or other information, and has verified in writing the legal authority to maintain confidentiality;

(ii) specify that ownership of information shared with the NAIC ~~and its affiliates and subsidiaries~~ or a third-party consultant pursuant to sections 60D.15 to 60D.29 remains with the commissioner and the NAIC's or a third-party consultant's, as designated by the commissioner, use of the information is subject to the direction of the commissioner;

(iii) excluding documents, material, or information reported pursuant to section 60D.19, subdivision 11c, prohibit the NAIC or a third-party consultant designated by the commissioner from storing the information shared pursuant to sections 60D.15 to 60D.29 in a permanent database after the underlying analysis is completed;

~~(iii)~~ (iv) require prompt notice to be given to an insurer whose confidential or protected nonpublic information in the possession of the NAIC or a third-party consultant designated by the commissioner pursuant to sections 60D.15 to 60D.29 is subject to a request or subpoena to the NAIC or a third-party consultant designated by the commissioner for disclosure or production; ~~and~~

~~(iv)~~ (v) require the NAIC ~~and its affiliates and subsidiaries~~ or a third-party consultant designated by the commissioner to consent to intervention by an insurer in any judicial or administrative action in which the NAIC ~~and its affiliates and subsidiaries~~ or a third-party consultant designated by the commissioner may be required to disclose confidential or protected nonpublic information about the insurer shared with the NAIC ~~and its affiliates and subsidiaries~~ or a third-party consultant designated by the commissioner pursuant to sections 60D.15 to 60D.29~~.~~; and

(vi) for documents, material, or information reported pursuant to section 60D.19, subdivision 11c, in the case of an agreement involving a third-party consultant, provide for notification of the identity of the consultant to the applicable insurers.

Sec. 19. Minnesota Statutes 2024, section 60D.22, subdivision 6, is amended to read:

Subd. 6. **Classification protection and use by others.** Documents, materials, or other information in the possession or control of the NAIC or a third-party consultant designated by the commissioner pursuant to sections 60D.15 to 60D.29 are confidential, protected nonpublic, or privileged, are not subject to subpoena, and are not subject to discovery or admissible in evidence in a private civil action.

Sec. 20. Minnesota Statutes 2024, section 60D.22, is amended by adding a subdivision to read:

Subd. 7. **Certain disclosures or publication prohibited.** (a) The group capital calculation and resulting group capital ratio required under section 60D.19, subdivision 11b, and the liquidity stress test along with the liquidity stress test's results and supporting disclosures required under section 60D.19, subdivision 11c, are regulatory tools to assess group risks and capital adequacy and group liquidity risks, respectively, and are not intended as a means to rank insurers or insurance holding company systems generally.

(b) Except as otherwise required under sections 60D.09 to 60D.29, making, publishing, disseminating, circulating, or placing before the public, or causing directly or indirectly to be made, published, disseminated, circulated, or placed before the public in a newspaper, magazine, or other publication, or in the form of a notice, circular, pamphlet, letter, or poster, or over any radio, television station, or any electronic means of communication available to the public, or in any other way as an advertisement, announcement, or statement containing a representation or statement with regard to the group capital calculation, group capital ratio, the liquidity stress test results, or supporting disclosures for the liquidity stress test of any insurer or any insurer group, or of any component derived in the calculation by any insurer, broker, or other person engaged in any manner in the insurance business is misleading and is prohibited.

(c) Notwithstanding paragraph (b), an insurer may publish an announcement in a written publication if any materially false statement with respect to the group capital calculation, resulting group capital ratio, an inappropriate comparison of any amount to an insurer's or insurance group's group capital calculation or resulting group capital ratio, liquidity stress test result, supporting disclosures for the liquidity stress test, or an inappropriate comparison of any amount to an insurer's or insurance group's liquidity stress test result or supporting disclosures is published in any written publication and the insurer is able to demonstrate to the commissioner with substantial proof the statement's falsity or inappropriateness. The sole purpose of an announcement under this paragraph must be to rebut the materially false statement.

Sec. 21. Minnesota Statutes 2024, section 60D.24, subdivision 2, is amended to read:

Subd. 2. **Voting of securities; when prohibited.** No security that is the subject of any agreement or arrangement regarding acquisition, or that is acquired or to be acquired, in contravention of the provisions of this chapter or of any rule or order issued by the commissioner may be voted at any shareholder's meeting, or may be counted for quorum purposes, and any action of shareholders requiring the affirmative vote of a percentage of shares may be taken as though the securities were not issued and outstanding. No action taken at the meeting shall be invalidated by the voting of the securities, unless the action would materially affect control of the insurer or unless the courts of this state have so ordered. If an insurer or the commissioner has reason to believe that any security of the insurer has been or is about to be acquired in contravention of the provisions of this chapter or of any rule or order issued by the commissioner, the insurer or the commissioner may apply to the district court for the county in which the insurer has its principal place of business to enjoin any offer, request, invitation, agreement, or acquisition made in contravention of section ~~60D.16~~ 60D.17 or any rule or order issued by the commissioner to enjoin the voting of any security so acquired, to void any vote of the security already cast at any meeting of shareholders and for other equitable relief as the nature of the case and the interest of the insurer's policyholders or the public requires.

Sec. 22. Minnesota Statutes 2024, section 60D.25, is amended to read:

60D.25 RECEIVERSHIP.

Whenever it appears to the commissioner that any person has committed a violation of this chapter that so impairs the financial condition of a domestic insurer as to threaten insolvency or make the further transaction of business by it hazardous to its policyholders, creditors, shareholders, or the public, ~~then~~ the commissioner may proceed as provided in chapter 60B to take possessions of the property of the domestic insurer and to conduct the business of ~~that~~ the domestic insurer.

ARTICLE 6
MINNESOTA BUSINESS CORPORATIONS ACT

Section 1. Minnesota Statutes 2024, section 302A.011, subdivision 41, is amended to read:

Subd. 41. **Beneficial owner; beneficial ownership.** (a) "Beneficial owner," when used with respect to shares or other securities, includes, but is not limited to, any person who, directly or indirectly through any written or oral agreement, arrangement, relationship, understanding, or otherwise, has or shares the power to vote, or direct the voting of, the shares or securities or has or shares the power to dispose of, or direct the disposition of, the shares or securities, except that:

(1) a person shall not be deemed the beneficial owner of shares or securities tendered pursuant to a tender or exchange offer made by the person or any of the person's affiliates or associates until the tendered shares or securities are accepted for purchase or exchange; and

(2) a person shall not be deemed the beneficial owner of shares or securities with respect to which the person has the power to vote or direct the voting arising solely from a revocable proxy given in response to a proxy solicitation required to be made and made in accordance with the applicable rules and regulations under the Securities Exchange Act of 1934 and is not then reportable under that act on a Schedule 13D or comparable report, or, if the corporation is not subject to the rules and regulations under the Securities Exchange Act of 1934, would have been required to be made and would not have been reportable if the corporation had been subject to the rules and regulations.

(b) "Beneficial ownership" includes, but is not limited to, the right to acquire shares or securities through the exercise of options, warrants, or rights, or the conversion of convertible securities, or otherwise. The shares or securities subject to the options, warrants, rights, or conversion privileges held by a person shall be deemed to be outstanding for the purpose of computing the percentage of outstanding shares or securities of the class or series owned by the person, but shall not be deemed to be outstanding for the purpose of computing the percentage of the class or series owned by any other person. A person ~~shall be~~ is deemed the beneficial owner of shares and securities beneficially owned by: (1) any relative or spouse of the person or any relative of the spouse, residing in the home of the person~~,~~; (2) any trust or estate in which the person (i) owns ten percent or more of the total beneficial interest of the trust or estate, or (ii) serves as trustee or executor or in a similar fiduciary capacity~~,~~ for the trust or estate; (3) any organization in which the person owns ten percent or more of the equity~~,~~; and (4) any affiliate of the person.

(c) When two or more persons act or agree to act as a partnership, limited partnership, syndicate, or other group for the purposes of acquiring, owning, or voting shares or other securities of a corporation, all members of the partnership, syndicate, or other group are deemed to constitute a "person" and to have acquired beneficial ownership, as of the date they first so act or agree to act together, of all shares or securities of the corporation beneficially owned by the person.

Sec. 2. Minnesota Statutes 2024, section 302A.011, is amended by adding a subdivision to read:

Subd. 72. **Defective corporate act.** "Defective corporate act" means an overissue, an election or appointment of directors that is void or voidable due to a failure of authorization, or an act or transaction purportedly taken by or on behalf of the corporation that is and, at the time the act or transaction was purportedly taken, would have been within the corporation's power under section 302A.101 but is void or voidable due to a failure of authorization.

Sec. 3. Minnesota Statutes 2024, section 302A.011, is amended by adding a subdivision to read:

Subd. 73. **Emergency.** "Emergency" means a situation during which it is impracticable for the corporation to conduct the corporation's affairs in accordance with this chapter, the articles, the bylaws, or as specified in a notice for the meeting previously given as a result of a catastrophic event or condition, including but not limited to an act of nature, an epidemic or pandemic, a technological failure or malfunction, a terrorist incident or an act of war, a cyber attack, a civil disturbance, or a governmental authority's emergency declaration.

Sec. 4. Minnesota Statutes 2024, section 302A.011, is amended by adding a subdivision to read:

Subd. 74. **Failure of authorization.** "Failure of authorization" means the failure: (1) to authorize or effect an act or transaction in compliance with (i) this chapter, (ii) the articles or bylaws, (iii) any plan or agreement to which the corporation is a party, or (iv) the disclosure set forth in any proxy or consent solicitation statement, if and to the extent the failure renders the act or transaction void or voidable; or (2) of the board or an officer to authorize or approve an act or transaction taken by or on behalf of the corporation that requires board or officer approval for the act or transaction's due authorization.

Sec. 5. Minnesota Statutes 2024, section 302A.011, is amended by adding a subdivision to read:

Subd. 75. **Overissue.** "Overissue" means the purported issuance of: (1) shares of a class or series in excess of the number of shares of the class or series the corporation has the power under the articles to issue under section 302A.401, subdivision 1, at the time of the issuance; or (2) shares of any class or series that are not then authorized for issuance by the articles.

Sec. 6. Minnesota Statutes 2024, section 302A.011, is amended by adding a subdivision to read:

Subd. 76. **Putative shares.** "Putative shares" means shares, including shares issued upon exercise of rights to purchase, in each case, that were created or issued pursuant to a defective corporate act, that: (1) but for a failure of authorization, would constitute valid shares; or (2) the board is unable to determine are valid shares.

Sec. 7. Minnesota Statutes 2024, section 302A.011, is amended by adding a subdivision to read:

Subd. 77. **Time of defective corporate act.** "Time of defective corporate act" means the date and time at which the defective corporate act was purportedly taken.

Sec. 8. Minnesota Statutes 2024, section 302A.011, is amended by adding a subdivision to read:

Subd. 78. **Validation effective time.** "Validation effective time," with respect to a defective corporate act ratified under section 302A.166 or 302A.167, means the latest of:

(1) the time when a defective corporate act submitted to shareholders for approval under section 302A.166, subdivision 4, is approved by shareholders or, if no vote of the shareholders is required to approve the ratification of the defective corporate act, immediately following the time when the board adopts the resolutions required under section 302A.166, subdivision 2 or 3;

(2) if no certificate of validation must be filed under section 302A.166, subdivision 6, the time, if any, specified by the board of directors in the resolutions adopted under section 302A.166, subdivision 2 or 3, provided the time specified by the board of directors does not precede the time when the resolutions are adopted; or

(3) the time when any certificate of validation filed under section 302A.166, subdivision 6, is filed with the secretary of state.

Sec. 9. Minnesota Statutes 2024, section 302A.011, is amended by adding a subdivision to read:

Subd. 79. **Valid shares.** "Valid shares" means shares that have been duly authorized and validly issued as required under this chapter.

Sec. 10. Minnesota Statutes 2024, section 302A.111, subdivision 2, is amended to read:

Subd. 2. **Statutory provisions that may be modified only in articles or in a shareholder control agreement.** The following provisions govern a corporation unless modified in the articles or in a shareholder control agreement under section 302A.457:

(a) a corporation has general business purposes (section 302A.101);

(b) a corporation has perpetual existence and certain powers (section 302A.161);

(c) the power to adopt, amend, or repeal the bylaws is vested in the board (section 302A.181);

(d) a corporation must allow cumulative voting for directors (section 302A.215, subdivision 2);

(e) the affirmative vote of a majority of directors present is required for an action of the board (section 302A.237);

(f) a written action by the board taken without a meeting must be signed by all directors (section 302A.239);

(g) the board may authorize the issuance of securities and rights to purchase securities (section 302A.401, subdivision 1);

(h) all shares are common shares entitled to vote and are of one class and one series (section 302A.401, subdivision 2, clauses (a) and (b));

(i) all shares have equal rights and preferences in all matters not otherwise provided for by the board (section 302A.401, subdivision 2, clause (b));

(j) the par value of shares is fixed at one cent per share for certain purposes and may be fixed by the board for certain other purposes (section 302A.401, subdivision 2, clause (c));

(k) the board or the shareholders may issue shares for any consideration or for no consideration to effectuate share dividends, divisions, or combinations, and determine the value of nonmonetary consideration (section 302A.405, subdivision 1);

(l) shares of a class or series must not be issued to holders of shares of another class or series to effectuate share dividends, divisions, or combinations, unless authorized by a majority of the voting power of the shares of the same class or series as the shares to be issued (section 302A.405, subdivision 1);

(m) a corporation may issue rights to purchase securities whose terms, provisions, and conditions are fixed by the board (section 302A.409);

(n) a shareholder has certain preemptive rights, unless otherwise provided by the board (section 302A.413);

(o) the affirmative vote of the holders of a majority of the voting power of the shares present and entitled to vote at a duly held meeting is required for an action of the shareholders, except where this chapter requires the affirmative vote of a plurality of the votes cast (section 302A.215, subdivision 1) or a majority of the voting power of all shares entitled to vote (section 302A.437, subdivision 1);

(p) shares of a corporation acquired by the corporation may be reissued (section 302A.553, subdivision 1);

(q) each share has one vote unless otherwise provided in the terms of the share (section 302A.445, subdivision 3);

(r) a corporation may issue shares for a consideration less than the par value, if any, of the shares (section 302A.405, subdivision 2);

(s) the board may effect share dividends, divisions, and combinations under certain circumstances without shareholder approval (section 302A.402);

(t) a written action of shareholders must be signed by all shareholders (section 302A.441);

(u) specified amendments of the articles create dissenters' rights (section 302A.471, subdivision 1, clause (a)); ~~and~~

(v) shareholders are entitled to vote as a class or series upon proposed amendments to the articles in specified circumstances (section 302A.137)~~.~~; and

(w) the corporation's business and affairs must be managed by or under the board's direction (section 302A.201).

Sec. 11. Minnesota Statutes 2024, section 302A.161, is amended by adding a subdivision to read:

Subd. 23a. **Emergency powers.** (a) During an emergency, unless emergency bylaws provide otherwise:

(1) notice of a meeting of the board must be given only to the directors that are practicable to reach and may, if ordinary notice is impracticable or inadvisable due to the emergency, be given in any practicable manner; and

(2) the officers designated on a list approved by the board of directors before the emergency, in the priority order and subject to conditions as may be provided in the board resolution approving the list, must, to the extent required to provide a quorum at any meeting of the board, be deemed directors for the meeting.

(b) During an emergency that makes it impracticable to convene a meeting of shareholders in accordance with this chapter, the articles, the bylaws, or as specified in a notice for the meeting previously given, unless emergency bylaws provide otherwise, the board may postpone a meeting of shareholders for which notice has been given or authorize shareholders to participate in a meeting by any means of remote communication that conforms with section 302A.436. The corporation must give notice to shareholders, by the means and with shorter advance notice as are reasonable in the circumstances, of a postponement, including any new date, time, or place, and describe any means of remote communication to be used. The notice to shareholders by a publicly held corporation may be given solely by means of a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to the rules and regulations under the Securities Exchange Act of 1934, United States Code, title 15, section 78a, et seq.

(c) A corporate action taken in good faith under this subdivision during an emergency to further the business and affairs of the corporation binds the corporation.

Sec. 12. **[302A.166] DEFECTIVE CORPORATE ACTS AND SHARES; RATIFICATION.**

Subdivision 1. **Effect of ratification or validation.** Subject to subdivision 7, a defective corporate act or putative share is not void or voidable solely as a result of a failure of authorization if the defective corporate act or putative share is ratified under this section or validated by a court in a proceeding brought under section 302A.167.

Subd. 2. **Board approval; generally.** (a) In order to ratify one or more defective corporate acts under this section other than ratifying an election of the first board under subdivision 3, the board must adopt resolutions stating:

(1) the defective corporate act or acts to be ratified;

(2) the date of each defective corporate act or acts;

(3) if the defective corporate act or acts involved the issuance of putative shares, the number and type of putative shares issued and the date or dates upon which the putative shares were purported to have been issued;

(4) the nature of the failure of authorization in respect of each defective corporate act to be ratified; and

(5) that the board approves ratification of the defective corporate act or acts.

(b) The resolutions also may provide that, at any time before the validation effective time in respect of a defective corporate act set forth in the resolutions, notwithstanding the approval of the ratification of the defective corporate act by shareholders, the board may abandon the ratification of the defective corporate act without further action of the shareholders.

(c) The quorum and voting requirements that apply to the board's ratification of any defective corporate act must be the quorum and voting requirements applicable to the type of defective corporate act proposed to be ratified at the time the board adopts the resolutions ratifying the defective corporate act. If the articles or bylaws, any plan or agreement to which the corporation was a party, or any provision of this chapter, in each case as in effect as of the time of the defective corporate act, require a larger number or portion of directors or of specified directors for a quorum to be present or to approve the defective corporate act, the larger number or portion of the directors or the specified directors must be required for a quorum to be present or to adopt the resolutions to ratify the defective corporate act, as applicable; except that the presence or approval of a director elected, appointed, or nominated by holders of any class or series of which no shares are outstanding at the time the board adopts the resolutions ratifying the defective corporate act, or by any person that is no longer a shareholder at the time the board adopts the resolutions ratifying the defective corporate act, is not required.

Subd. 3. **Board approval; election of first board.** To ratify a defective corporate act in respect of the election of the first board under section 302A.201, subdivision 1, a majority of the persons who, at the time the resolutions required by this subdivision are adopted, are exercising the powers of directors under claim and color of an election or appointment as such may adopt resolutions stating:

(1) the name of the person or persons who first took action in the name of the corporation as the first board;

(2) the earlier of the date on which the persons first took the action or were purported to have been elected as the first board; and

(3) that the ratification of the election of the person or persons as the first board is approved.

Subd. 4. **Shareholder approval; when required.** A defective corporate act ratified under subdivision 2 must be submitted to shareholders for approval under subdivision 5, unless:

(1)(i) no other provision of this chapter, and no provision of the articles or bylaws, or of any plan or agreement to which the corporation is a party, requires shareholder approval of the defective corporate act to be ratified, either at the time of the defective corporate act or at the time the board adopts the resolutions ratifying the defective corporate act under subdivision 2, and (ii) the defective corporate act did not result from a failure to comply with section 302A.673; or

(2) as of the adoption of the resolutions of the board under subdivision 2, there are no valid shares outstanding and entitled to vote thereon, regardless of whether there then exist any putative shares.

Subd. 5. **Shareholder approval; process.** (a) If the ratification of a defective corporate act must be submitted to shareholders for approval under subdivision 4, notice of the meeting must be given in the manner set forth in section 302A.435 to each holder of valid shares and putative shares, whether voting or nonvoting.

(b) The notice under this subdivision must be given as follows:

(1) in the case of a defective corporate act that did not involve the establishment of a record date for notice of or voting at any meeting of shareholders, for written action of shareholders in lieu of a meeting, or for any other purpose, to the shareholders of valid shares and putative shares, whether voting or nonvoting, as of the time of the defective corporate act, other than holders whose identities or addresses cannot be determined from the corporation's records; or

(2) in the case of a defective corporate act that involved the establishment of a record date for notice of or voting at any meeting of shareholders, for written action of shareholders in lieu of a meeting, or for any other purpose, to the shareholders of valid shares and putative shares, whether voting or nonvoting, as of the record date for notice of or voting at the meeting, the record date for written action, or the record date for the other action, as the case may be, other than holders whose identities or addresses cannot be determined from the corporation's records.

(c) The notice must contain a copy of the resolutions adopted by the board under subdivision 2 or the information required by subdivision 2, paragraph (a), clauses (1) to (5). The notice must include a statement that any claim that the defective corporate act or putative shares ratified under this section is void or voidable due to the failure of authorization, or that a court should declare in the court's discretion that a ratification in accordance with this section is not effective or is effective only on certain conditions, must be brought within 120 days from the applicable validation effective time.

(d) At the meeting, the quorum and voting requirements that apply to ratification of the defective corporate act must be the same quorum and voting requirements that apply to the type of defective corporate act proposed to be ratified at the time of the approval of the ratification, except that:

(1) if the articles or bylaws, a plan or agreement to which the corporation was a party, or a provision under this chapter in effect as of the time of the defective corporate act requires a larger number or portion of shares or of any class or series thereof or of specified shareholders for a quorum to be present or to approve the defective corporate act, the presence or approval of the larger number or portion of stock or of the class or series thereof or of the specified shareholders must be required for a quorum to be present or to approve the ratification of the defective corporate act, as applicable; except that the presence or approval of shares of any class or series of which no shares are outstanding at the time of the approval of the ratification, or of any person that is no longer a shareholder at the time of the approval of the ratification, is not required; and

(2) the approval by shareholders of the ratification of a director's election requires the affirmative vote of a plurality of shares present at the meeting and entitled to vote on the election of the director in the manner set forth in section 302A.215, except that, if the articles or bylaws then in effect or in effect at the time of the defective election require or required a larger number or portion of shares or of any class or series thereof or of specified shareholders to elect the director, the affirmative vote of the larger number or portion of shares or of any class or series thereof or of the specified shareholders must be required to ratify the election of the director; except that the presence or approval of shares of any class or series of which no shares are outstanding at the time of the approval of the ratification, or of any person that is no longer a shareholder at the time of the approval of the ratification, is not required.

(e) Putative shares, measured as of the adoption by the board of resolutions under subdivision 2 and without giving effect to any ratification that becomes effective after the adoption, are neither entitled to vote nor counted for quorum purposes in a vote to ratify a defective corporate act.

Subd. 6. **Certificate of validation.** (a) If a defective corporate act ratified under this section requires under any other section of this chapter a certificate to be filed with the secretary of state, and either (1) the certificate requires any change to give effect to the defective corporate act in accordance with this section, including a change to the date and time of the effectiveness of the certificate, or (2) a certificate was not previously filed with respect to the defective corporate act, the corporation must file with the secretary of state a certificate of validation with respect to the defective corporate act in lieu of filing the certificate otherwise required by this chapter.

(b) A separate certificate of validation is required for each defective corporate act that requires the filing of a certificate of validation under this section, except that (1) two or more defective corporate acts may be included in a single certificate of validation if the corporation filed with the secretary of state, or to comply with this chapter would have filed with the secretary of state, a single certificate under another provision of this chapter to effect the acts, and (2) two or more overissues of shares, or of any class or series of shares, may be included in a single certificate of validation; provided that the increase in the number of authorized shares, or of each class or series, set forth in the certificate of validation is effective on the date of the first overissue.

(c) The certificate of validation must set forth:

(1) that the corporation has ratified one or more defective corporate acts that would have required filing with the secretary of state of a certificate under this chapter;

(2) that each defective corporate act has been ratified in accordance with this section; and

(3) the following information:

(i) if a certificate was previously filed with the secretary of state under this chapter with respect to the defective corporate act and the certificate requires any change to give effect to the defective corporate act in accordance with this section, including a change to the date and time of the effectiveness of the certificate, the certificate of validation must set forth:

(A) the name, title, and filing date of the certificate previously filed and any certificate of correction to the certificate previously filed;

(B) a statement that a certificate containing all of the information that must be included under the applicable section or sections of this chapter to give effect to the defective corporate act is attached as an exhibit to the certificate of validation; and

(C) the date and time that the certificate is deemed effective pursuant to this section; or

(ii) if a certificate was not previously filed with the secretary of state under this chapter in respect of the defective corporate act and the defective corporate act ratified pursuant to this section would have required under any other section of this chapter the filing with the secretary of state of a certificate, the certificate of validation shall set forth:

(A) a statement that a certificate containing all of the information required to be included under the applicable section or sections of this chapter to give effect to the defective corporate act is attached as an exhibit to the certificate of validation; and

(B) the date and time that the certificate shall be deemed to have become effective pursuant to this section.

(d) A certificate attached to a certificate of validation need not be separately executed and acknowledged and need not include a statement required by another section under this chapter that the instrument has been approved and adopted in accordance with the provisions of the other section under this chapter.

Subd. 7. **Retroactive effect.** From and after the validation effective time, unless otherwise determined in an action brought pursuant to section 302A.167, subject to subdivision 5, paragraph (e):

(1) each defective corporate act ratified in accordance with this section is no longer deemed void or voidable as a result of the failure of authorization described in the resolutions adopted under subdivision 2, effective retroactively from the time of the defective corporate act; and

(2) each share or fraction of a share of putative shares issued or purportedly issued pursuant to the defective corporate act is no longer deemed void or voidable, and is deemed to be an identical outstanding share or fraction of an outstanding share as of the time the share or fraction of a share was purportedly issued.

Subd. 8. **Postratification notice.** (a) Except as provided under paragraph (b), with respect to each defective corporate act ratified by the board under subdivision 2 or subdivision 3, prompt notice of the ratification must be given to all shareholders of valid shares and putative shares, whether voting or nonvoting, as of the date the board adopts the resolutions approving the defective corporate act, or as of a date within 60 days after the date of adoption, as established by the board. The notice must be sent to the address of the holder as the address appears or most recently appeared, as appropriate, on the corporation's records. The notice must be given to the shareholders of valid shares and putative shares, whether voting or nonvoting, as of the time of the defective corporate act, other than holders whose identities or addresses cannot be determined from the records of the corporation. The notice must contain a copy of the resolutions adopted under subdivision 2 or the information specified under subdivision 2, paragraph (a), clauses (1) to (5), or subdivision 3, clauses (1) to (3), as applicable, and a statement that any claim that the defective corporate act or putative shares ratified under this section is void or voidable due to the failure of authorization, or that a court should declare in the court's discretion that a ratification in accordance with this section is not effective or is effective only on certain conditions, must be brought within 120 days from the latter of the validation effective time or the time at which the notice required by this subdivision is given.

(b) Notice is not required if notice of the ratification of the defective corporate act is given in accordance with subdivision 5 and, in the case of a corporation that has a class of shares listed on a national securities exchange, the notice required by this subdivision and subdivision 5 may be deemed given if disclosed in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to section 13, 14, or 15(d) of the Securities Exchange Act of 1934, as amended, United States Code, title 15, section 78a, et seq., and rules and regulations promulgated under the Securities Exchange Act of 1934, as amended, or the corresponding provisions of any subsequent United States securities laws, rules, or regulations.

(c) If a defective corporate act has been approved by shareholders acting pursuant to section 302A.441, the notice required by this subdivision may be included in a notice required under section 302A.441, subdivision 3. If the notice is given under section 302A.441, the notice must be sent to the shareholders entitled to the notice under section 302A.441, subdivision 3, and to all holders of valid shares and putative shares to whom notice is required under this subdivision if the defective corporate act had been approved at a meeting and the record date for determining the shareholders entitled to notice of the meeting had been the date for determining the shareholders entitled to notice under paragraph (a) other than any shareholder who approved the written action in lieu of a meeting under section 302A.441 or any holder of putative shares who otherwise consented thereto in writing.

(d) For purposes of this subdivision and subdivision 5 only, notice to holders of putative shares, and notice to holders of valid shares and putative shares as of the time of the defective corporate act, is treated as notice to holders of valid shares for purposes of sections 302A.435 and 302A.441.

Sec. 13. **[302A.167] VALIDITY OF DEFECTIVE CORPORATE ACTS AND SHARES; PROCEEDINGS.**

Subdivision 1. **When permitted.** Subject to subdivision 5, upon application by the corporation, a successor entity to the corporation, a member of the board, a shareholder or beneficial owner of valid shares or putative shares, a shareholder or beneficial owner of valid shares or putative shares as of the time of a defective corporate act ratified pursuant to section 302A.166, or other person claiming to be substantially and adversely affected by a ratification pursuant to section 302A.166, a court may:

(1) determine the validity and effectiveness of any defective corporate act ratified pursuant to section 302A.166;

(2) determine the validity and effectiveness of the ratification of any defective corporate act pursuant to section 302A.166;

(3) determine the validity and effectiveness of any defective corporate act not ratified or not ratified effectively pursuant to section 302A.166;

(4) determine the validity of any corporate act or transaction and any shares or rights to purchase; and

(5) modify or waive any of the procedures set forth in section 302A.166 to ratify a defective corporate act.

Subd. 2. **Remedies.** In connection with an action under this section, a court may:

(1) declare that a ratification under section 302A.166 is not effective or is only effective at a time or upon conditions established by the court;

(2) validate and declare effective a defective corporate act or putative shares and impose conditions upon the court's validation;

(3) require measures to remedy or avoid harm to a person substantially and adversely affected by a ratification under section 302A.166 or from a court order pursuant to this section, excluding harm that would have resulted if the defective corporate act had been valid when approved or effectuated;

(4) order the secretary of state to accept an instrument for filing with an effective time specified by the court, which may be before or after the time of the order, provided that the filing date of the instrument must be determined in accordance with section 302A.011, subdivision 11;

(5) approve a share register for the corporation that includes any shares ratified or validated in accordance with this section or section 302A.166;

(6) declare that putative shares are valid shares or require a corporation to issue and deliver valid shares in place of any putative shares;

(7) order a meeting of holders of valid shares or putative shares and determine the right and power of persons claiming to hold valid shares or putative shares to vote at the ordered meeting;

(8) declare that a defective corporate act validated by a court is effective as of the time of the defective corporate act or at another time the court may determine;

(9) declare that putative shares validated by a court shall be deemed to be an identical share or fraction of a valid share as of the time originally issued or purportedly issued or at such other time as the court may determine; and

(10) make other orders regarding matters as the court deems proper under the circumstances.

Subd. 3. **Service.** Service of the application under subdivision 1 upon the registered agent of the corporation is deemed to be service upon the corporation, and no other party needs to be joined in order for a court to adjudicate the matter. In an action filed by the corporation, a court may require notice of the action be provided to other persons specified by the court and permit the other persons to intervene in the action.

Subd. 4. **Considerations.** In connection with resolving matters pursuant to subdivisions 1 and 2, a court may consider the following:

(1) whether the defective corporate act was originally approved or effectuated with the good faith belief that the approval or effectuation was in compliance with the provisions of this chapter, the articles, or the bylaws;

(2) whether the corporation and board have treated the defective corporate act as a valid act or transaction and whether a person has acted in reliance on the public record that the defective corporate act was valid;

(3) whether any person may be or was harmed by the ratification or validation of the defective corporate act, excluding harm that would have resulted if the defective corporate act had been valid when approved or effectuated;

(4) whether any person is harmed by the failure to ratify or validate the defective corporate act; and

(5) any other factors or considerations the court deems just and equitable.

Subd. 5. **Statute of limitations.** An action asserting that (1) a defective corporate act or putative shares ratified in accordance with section 302A.166 is void or voidable due to a failure of authorization identified in the resolution adopted in accordance with section 302A.166, subdivision 2 or 3, or (2) a court should declare in its discretion that a ratification in accordance with section 302A.166 not be effective or be effective only on certain conditions, is prohibited from being brought after the expiration of 120 days from the later of the validation effective time and the time notice, if any, that is required to be given pursuant to section 302A.166, subdivision 8, is given with respect to the ratification; except that this subdivision does not apply to an action asserting that a ratification was not accomplished in accordance with section 302A.166 or to any person to whom notice of the ratification was required to have been given pursuant to 302A.166, subdivision 5 or 8, but to whom the notice was not given.

Sec. 14. Minnesota Statutes 2024, section 302A.181, is amended by adding a subdivision to read:

Subd. 4. **Emergency bylaws.** (a) Unless the articles provide otherwise, bylaws may contain provisions that are effective only during an emergency. The emergency bylaws may contain provisions necessary to manage the corporation during the emergency, including:

(1) procedures for calling a meeting of the board;

(2) quorum requirements for the meeting;

(3) designation of additional or substitute directors; and

(4) procedures for the board to determine the duration of an emergency.

(b) All provisions of the regular bylaws that are not inconsistent with the emergency bylaws remain effective during the emergency.

(c) Corporate action taken in good faith in accordance with the emergency bylaws binds the corporation.

Sec. 15. Minnesota Statutes 2024, section 302A.201, subdivision 1, is amended to read:

Subdivision 1. **Board to manage.** The business and affairs of a corporation shall be managed by or under the direction of a board, subject to the provisions of subdivision 2 and section 302A.457, and except as may be otherwise provided in the articles. If a provision is made in the articles: (1) the powers and duties conferred or imposed upon the board of directors by this chapter must be exercised or performed to the extent and by the natural persons provided in the articles, (2) the directors have no duties, liabilities, or responsibilities as directors under this chapter with respect to or arising from the exercise or performance of, or from the failure to exercise or perform, the conferred or imposed powers and duties by the other persons, and (3) the other persons have all of the duties, liabilities, and responsibilities of directors under this chapter with respect to and arising from the exercise or performance of, or the failure to exercise or perform, the conferred or imposed powers and duties. The members of the first board may be named in the articles or elected by the incorporators pursuant to section 302A.171 or by the shareholders.

Sec. 16. Minnesota Statutes 2024, section 302A.237, is amended by adding a subdivision to read:

Subd. 3. **Agreements and other instruments; authorization.** When this chapter requires the board to approve or to take other action with respect to an agreement, instrument, plan, or document, the agreement, instrument, plan, or document may be approved by the board in final form or in substantially final form. If the board acts to approve or take other action with respect to an agreement, instrument, plan, or document that this chapter requires to be filed with the secretary of state or referenced in any certificate filed, the board may, at any time after providing the approval or taking other action and prior to the effectiveness of the filing with the secretary of state, adopt a resolution ratifying the agreement, instrument, plan, or document. The ratification under this subdivision is effective as of the time of the original approval or other action by the board and to satisfy any requirement under this chapter that the board approve or take other action with respect to the agreement, instrument, plan, or document in a specific manner or sequence.

Sec. 17. Minnesota Statutes 2024, section 302A.361, is amended to read:

302A.361 STANDARD OF CONDUCT.

Subdivision 1. **Standard; liability.** An officer shall discharge the duties of an office in good faith, in a manner the officer reasonably believes to be in the best interests of the corporation, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances. A person who so performs those duties is not liable by reason of being or having been an officer of the corporation. A person exercising the principal functions of an office or to whom some or all of the duties and powers of an office are delegated pursuant to section 302A.351 is deemed an officer for purposes of this section and sections 302A.467 and 302A.521.

Subd. 2. **Liability; elimination or limitation.** The articles of a corporation may provide that an officer's personal liability to the shareholders for monetary damages for breach, during the time the corporation is a publicly held corporation, of fiduciary duty as an officer may be eliminated or limited. The articles must not eliminate or limit the liability of an officer:

(1) for any breach of the officer's duty of loyalty to the corporation or the corporation's shareholders;

(2) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;

(3) under section 80A.76;

(4) for any transaction from which the officer derived an improper personal benefit;

(5) in any action by or in the right of the corporation; or

(6) for any act or omission occurring prior to the date when the provision in the articles eliminating or limiting liability becomes effective.

Sec. 18. Minnesota Statutes 2024, section 302A.461, subdivision 4, is amended to read:

Subd. 4. **Right to inspect.** (a) A shareholder, beneficial owner, or a holder of a voting trust certificate of a corporation that is not a publicly held corporation has an absolute right, upon written demand, to examine and copy, in person or by a legal representative, at any reasonable time, and the corporation shall make available within ten days after receipt by an officer of the corporation of the written demand:

(1) the share register; and

(2) all documents referred to in subdivision 2.

(b) A shareholder, beneficial owner, or a holder of a voting trust certificate of a corporation that is not a publicly held corporation has a right, upon written demand, to examine and copy, in person or by a legal representative, other corporate records at any reasonable time only if the shareholder, beneficial owner, or holder of a voting trust certificate demonstrates a proper purpose for the examination.

(c) A shareholder, beneficial owner, or a holder of a voting trust certificate of a publicly held corporation has, upon written demand stating the purpose and acknowledged or verified in the manner provided in chapter 358, a right at any reasonable time to examine and copy the corporation's share register and other corporate records reasonably related to the stated purpose and described with reasonable particularity in the written demand upon demonstrating the stated purpose to be a proper purpose. The acknowledged or verified demand must be directed to the corporation at its registered office in this state or at its principal place of business.

(d) For purposes of this section, a "proper purpose" is one reasonably related to the person's interest as a shareholder, beneficial owner, or holder of a voting trust certificate of the corporation.

(e) If a corporation or an officer or director of the corporation violates this section, a court in Minnesota may, in an action brought by a shareholder, beneficial owner, or a holder of a voting trust certificate of the corporation, specifically enforce this section and award expenses, including attorney fees and disbursements, to the shareholder, beneficial owner, or a holder of a voting trust certificate.

Sec. 19. Minnesota Statutes 2024, section 302A.471, subdivision 1, is amended to read:

Subdivision 1. **Actions creating rights.** A shareholder of a corporation may dissent from, and obtain payment for the fair value of the shareholder's shares in the event of, any of the following corporate actions:

(a) unless otherwise provided in the articles, an amendment of the articles that materially and adversely affects the rights or preferences of the shares of the dissenting shareholder in that it:

(1) alters or abolishes a preferential right of the shares;

(2) creates, alters, or abolishes a right in respect of the redemption of the shares, including a provision respecting a sinking fund for the redemption or repurchase of the shares;

(3) alters or abolishes a preemptive right of the holder of the shares to acquire shares, securities other than shares, or rights to purchase shares or securities other than shares;

(4) excludes or limits the right of a shareholder to vote on a matter, or to cumulate votes, except as the right may be excluded or limited through the authorization or issuance of securities of an existing or new class or series with similar or different voting rights; except that an amendment to the articles of an issuing public corporation that provides that section 302A.671 does not apply to a control share acquisition does not give rise to the right to obtain payment under this section; ~~or~~

(5) eliminates the right to obtain payment under this subdivision; or

(6) pursuant to section 302A.201, subdivision 1, diminishes or abolishes the board's right to manage, or to direct the management of, the corporation's business and affairs;

(b) a sale, lease, transfer, or other disposition of property and assets of the corporation that requires shareholder approval under section 302A.661, subdivision 2, but not including a disposition in dissolution described in section 302A.725, subdivision 2, or a disposition pursuant to an order of a court, or a disposition for cash on terms requiring that all or substantially all of the net proceeds of disposition be distributed to the shareholders in accordance with their respective interests within one year after the date of disposition;

(c) a plan of merger, whether under this chapter or under chapter 322C, to which the corporation is a constituent organization, except as provided in subdivision 3, and except for a plan of merger adopted under section 302A.626;

(d) a plan of exchange, whether under this chapter or under chapter 322C, to which the corporation is a party as the corporation whose shares will be acquired by the acquiring organization, except as provided in subdivision 3;

(e) a plan of conversion is adopted by the corporation and becomes effective;

(f) an amendment of the articles in connection with a combination of a class or series under section 302A.402 that reduces the number of shares of the class or series owned by the shareholder to a fraction of a share if the corporation exercises its right to repurchase the fractional share so created under section 302A.423; or

(g) any other corporate action taken pursuant to a shareholder vote with respect to which the articles, the bylaws, or a resolution approved by the board directs that dissenting shareholders may obtain payment for their shares.

Sec. 20. Minnesota Statutes 2024, section 302A.471, subdivision 3, is amended to read:

Subd. 3. **Rights not to apply.** (a) Unless the articles, the bylaws, or a resolution approved by the board otherwise provide, the right to obtain payment under this section does not apply to a shareholder of (1) the surviving corporation in a merger with respect to shares of the shareholder that are not entitled to be voted on the merger and are not canceled or exchanged in the merger or (2) the corporation whose shares will be acquired by the acquiring organization in a plan of exchange with respect to shares of the shareholder that are not entitled to be voted on the plan of exchange and are not exchanged in the plan of exchange.

(b) If a date is fixed according to section 302A.445, subdivision 1, for the determination of shareholders entitled to receive notice of and to vote on an action described in subdivision 1, only shareholders as of the date fixed, and beneficial owners as of the date fixed who hold through shareholders, as provided in subdivision 2, may exercise dissenters' rights.

(c) Notwithstanding subdivision 1, the right to obtain payment under this section, other than in connection with a plan of merger adopted under section 302A.613, subdivision 4, or 302A.621, is limited in accordance with the following provisions:

(1) The right to obtain payment under this section is not available for the holders of shares of any class or series of shares that is listed on ~~the New York Stock Exchange, NYSE MKT LLC, the Nasdaq Global Market, the NASDAQ Global Select Market, the Nasdaq Capital Market, or any successor to any such market~~ any national securities exchange registered with the United States Securities and Exchange Commission under Section 6 of the Securities Exchange Act of 1934, United States Code, title 15, section 78a, et seq.

(2) The applicability of clause (1) is determined as of:

(i) the record date fixed to determine the shareholders entitled to receive notice of, and to vote at, the meeting of shareholders to act upon the corporate action described in subdivision 1; or

(ii) the day before the effective date of corporate action described in subdivision 1 if there is no meeting of shareholders.

(3) Clause (1) is not applicable, and the right to obtain payment under this section is available pursuant to subdivision 1, for the holders of any class or series of shares who are required by the terms of the corporate action described in subdivision 1 to accept for such shares anything other than shares, or cash in lieu of fractional shares, of any class or any series of shares of a domestic or foreign corporation, or any other ownership interest of any other organization, that satisfies the standards set forth in clause (1) at the time the corporate action becomes effective.

Sec. 21. Minnesota Statutes 2024, section 302A.611, is amended by adding a subdivision to read:

Subd. 1a. **Additional remedies; shareholder representatives.** A plan of merger or exchange may provide:

(1) that: (i) a party to the plan that fails to perform the party's obligations under the plan in accordance with the terms and conditions of the plan, or that otherwise fails to comply with the terms and conditions of the plan, in each case required to be performed or complied with prior to the time the merger or exchange becomes effective, or that otherwise fails to consummate, or fails to cause the consummation of, the merger or exchange, whether prior to a specified date, upon satisfaction or, to the extent permitted by law, waiver of all conditions to consummation set forth in the plan or otherwise, is subject, in addition to any other remedies available at law or in equity, to penalties or consequences set forth in the plan of merger or exchange, which may include an obligation to pay to the other party or parties to the plan an amount representing or based on the loss of any premium or other economic entitlement the shareholders or holders of rights to purchase of the other party would be entitled to receive pursuant to the terms of the plan if the merger or exchange were consummated in accordance with the terms of the plan; and (ii) if, pursuant to the terms of the plan of merger or exchange, the corporation is entitled to receive payment from another party to the plan of any amount representing a penalty or consequence, the corporation is entitled to enforce the other party's payment obligation and upon receipt of a payment is entitled to retain the amount of the payment received; or

(2)(i) for the appointment, at or after the time at which the plan of merger or exchange is approved by the shareholders of the corporation in accordance with the requirements of this chapter, of one or more persons, which may include the surviving or resulting organization or any officer, representative, or agent of the surviving or resulting organization, as representative of the shareholders or the holders of rights to purchase of the corporation, including the shareholders and holders whose shares or rights to purchase must be canceled, converted, or exchanged in the merger or exchange and for the delegation to the person or persons of the sole and exclusive authority to take action and bring claims on behalf of the shareholders and the holders pursuant to the plan, including taking actions and bringing claims, including by entering into settlements, as the representative determines to enforce the rights of the shareholders and holders under the plan of merger or exchange, on the terms and subject to the conditions set forth in the plan; (ii) that an appointment is irrevocable and binding on all shareholders and holders from and after the approval of the plan of merger or exchange by the requisite vote of shareholders pursuant to this chapter; and (iii) that a provision adopted pursuant to this clause may not be amended after the merger or exchange has become effective or may be amended only with the consent or approval of persons specified in the plan of merger or exchange.

ARTICLE 7
GARNISHMENT FORMS

Section 1. Minnesota Statutes 2024, section 550.136, subdivision 6, is amended to read:

Subd. 6. **Earnings exemption notice.** Before the first levy on earnings under this chapter, the judgment creditor shall serve upon the judgment debtor no less than ten days before the service of the writ of execution, a notice that the writ of execution may be served on the judgment debtor's employer. The notice must: (1) be

substantially in the form set forth below; (2) be served personally, in the manner of a summons and complaint, or by first class mail to the last known address of the judgment debtor; (3) inform the judgment debtor that an execution levy may be served on the judgment debtor's employer in ten days, and that the judgment debtor may, within that time, cause to be served on the judgment creditor a signed statement under penalties of perjury asserting an entitlement to an exemption from execution; (4) inform the judgment debtor of the earnings exemptions contained in section 550.37, subdivision 14; and (5) advise the judgment debtor of the relief set forth in this chapter to which the debtor may be entitled if a judgment creditor in bad faith disregards a valid claim and the fee, costs, and penalty that may be assessed against a judgment debtor who in bad faith falsely claims an exemption or in bad faith takes action to frustrate the execution process. The notice requirement of this subdivision does not apply to a levy on earnings being retained by an employer pursuant to a garnishment previously served in compliance with chapter 571.

The ten-day notice informing a judgment debtor that a writ of execution may be used to levy the earnings of an individual must be substantially in the following form:

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~
~~COUNTY OF .....~~ ~~.....JUDICIAL DISTRICT~~
~~..... (Judgment Creditor)~~
~~against~~ ~~EXEMPTION NOTICE~~
~~..... (Judgement Debtor)~~ ~~NOTICE AND NOTICE OF INTENT TO~~
~~and~~ ~~LEVY ON EARNINGS~~
~~.....(Third Party)~~

State of Minnesota **District Court**
County of: ..... Judicial District: .....
Court File Number: .....
Case Type: .....

Creditor's full name
.....
against
Debtor's full name
.....
and
Third Party (bank, employer, or other)
.....

Execution Exemption Notice and Notice of Intent to Levy on Earnings

~~PLEASE TAKE NOTICE that a levy may be served upon your employer or other third parties, without any further court proceedings or notice to you, ten days or more from the date hereof. Your earnings are completely exempt from execution levy if you are now a recipient of relief based on need, if you have been a recipient of relief within the last six months, or if you have been an inmate of a correctional institution in the last six months.~~

~~Relief based on need includes Minnesota Family Investment Program (MFIP), Emergency Assistance (EA), Work First, Medical Assistance (MA), General Assistance (GA), Emergency General Assistance (EGA), Minnesota Supplemental Aid (MSA), MSA Emergency Assistance (MSA EA), Supplemental Security Income (SSI), and Energy Assistance.~~

~~If you wish to claim an exemption, you should fill out the appropriate form below, sign it, and send it to the judgment creditor's attorney.~~

~~You may wish to contact the attorney for the judgment creditor in order to arrange for a settlement of the debt or contact an attorney to advise you about exemptions or other rights.~~

Notice: A levy may be served on your employer or other third parties. **A levy means that part of your earnings can be taken to pay off debts that you owe.** This can happen in 10 days or more after you get this notice. This can happen without any other court action or notice to you. **But some of your money may be protected.**

Your earnings cannot be taken if:

(i) you are getting government assistance based on need,

(ii) you got any government assistance based on need in the last 6 months, or

(iii) you were an inmate of a correctional institution in the last 6 months.

These are called exemptions. Your money is NOT protected unless you fill out the Exemption Claim Notice attached and send it back to the creditor or the creditor's lawyer. If you are not sure if you have any exemptions, talk to a lawyer.

You can also contact the creditor or their lawyer to talk about a settlement of the debt.

Examples of government assistance based on need:

(i) **MFIP** - Minnesota Family Investment Program

(ii) **DWP** - MFIP Diversionary Work Program

(iii) **SNAP** - Supplemental Nutrition Assistance Program

(iv) **GA** - General Assistance

(v) **EGA** - Emergency General Assistance

(vi) **MSA** - Minnesota Supplemental Aid

(vii) **MSA-EA** - MSA Emergency Assistance

(viii) **EA** - Emergency Assistance

(ix) **Energy or Fuel Assistance**

(x) **Work Participation Cash Benefit**

(xi) **MA** - Medical Assistance

(xii) **MinnesotaCare**

(xiii) **Medicare Part B** - Premium Payments help

(xiv) **Medicare Part D** - Extra

(xv) **SSI** - Supplemental Security Income

(xvi) **Tax Credits** - federal Earned Income Tax Credit (EITC), MN Working family credit

(xvii) **Renter's Refund** (also called Renter's Property Tax Credit)

~~PENALTIES~~
Warnings and Fines

(1) ~~Be advised that~~ Even if you claim an exemption, ~~an execution~~ a levy may still be served on your employer. If ~~your earnings are levied on~~ they take money from you after you claim an exemption, you may ~~petition~~ ask the court ~~for a determination of~~ to review your exemption. If the court finds that the ~~judgment~~ creditor ~~disregarded~~ ignored your claim of exemption in bad faith, you ~~will be~~ are entitled to costs, reasonable ~~attorney~~ lawyer fees, actual damages, and ~~an amount not~~ a fine up to ~~exceed~~ $100. Bad faith is when someone does something wrong on purpose.

(2) ~~HOWEVER, BE WARNED~~ BUT if you claim an exemption, the ~~judgment~~ creditor can also ~~petition~~ ask the court ~~for a determination of~~ to review your exemption~~, and.~~ If the court finds that you claimed an exemption in bad faith, you ~~will be assessed~~ are charged costs and reasonable ~~attorney's~~ lawyer fees ~~plus an amount not~~ and a fine up to ~~exceed~~ $100.

~~(3) If after receipt of this notice, you in bad faith take action to frustrate the execution levy, thus requiring the judgment creditor to petition the court to resolve the problem, you will be liable to the judgment creditor for costs and reasonable attorney's fees plus an amount not to exceed $100.~~

(3) If you get this notice, then do something in bad faith to try to block or stop the levy and the creditor has to take you to court because of it, you will have to pay the creditor's costs, and reasonable lawyer fees, and a fine up to $100.

~~DATED: .....~~

~~.....~~
~~(Attorney for Judgment Creditor)~~
~~.....~~
~~Address~~
~~.....~~
~~Telephone~~

Date: .....
Creditor's Signature: .....
(or creditor's lawyer's signature)

Creditor's Name: .....
(or creditor's lawyer's name)

Street Address: .....
City/State/Zip: .....
Phone: .....Fax: .....
Email: .....

~~JUDGMENT~~ **Debtor's Exemption Claim Notice**

I ~~hereby~~ claim that my earnings are exempt ~~from execution~~ because: (check all that apply)

~~(1)~~ ...I am ~~presently a recipient of relief~~ getting government assistance based on need. (~~Specify~~ State the program, case number if you know it, and the county ~~from which relief is being received~~ you got it from.)

....
~~Program~~ ~~Case Number (if known)~~ ~~County~~

Program: ..... Case #: ..... County: .....
Program: ..... Case #: ..... County: .....
Program: ..... Case #: ..... County: .....

~~(2)~~ ...I am not ~~now receiving relief~~ getting assistance based on need right now, but I ~~have received relief~~ did get government assistance based on need within the last ~~six~~ 6 months. (~~Specify~~ State the program, case number if you know it, and the county you got it from ~~which relief has been received~~.)

....
~~Program~~ ~~Case Number (if known)~~ ~~County~~

Program: ..... Case #: ..... County: .....
Program: ..... Case #: ..... County: .....
Program: ..... Case #: ..... County: .....

~~(3)~~ ...I ~~have been~~ was an inmate of a correctional institution within the last ~~six~~ 6 months. (~~Specify~~ State the correctional institution and location.)

....
Correctional Institution .....Location .....

~~I hereby authorize any agency that has distributed relief to me or any correctional institution in which I was an inmate to disclose to the above-named judgment creditor or the judgment creditor's attorney only whether or not I am or have been a recipient of relief based on need or an inmate of a correctional institution within the last six months. I have mailed or delivered a copy of this form to the judgment creditor or judgment creditor's attorney.~~

....
~~Debtor~~
.....
~~Address~~
.....
~~Debtor Telephone Number~~

I give my permission to any agency listed above to give information about my benefits to the creditor named above, or to the creditor's lawyer. The information will **ONLY** be if I get assistance, or if I have gotten assistance in the past 6 months. If I was an inmate in the last 6 months, I give my permission to the correctional institution to tell the creditor named above or the creditor's lawyer that I was an inmate there.

Date: .....
Debtor's Signature: .....
Debtor's Name: .....
Street Address: .....
City/State/Zip: .....
Phone: .....
Email: .....

Sec. 2. Minnesota Statutes 2024, section 550.136, subdivision 9, is amended to read:

Subd. 9. **Execution earnings disclosure form and worksheet.** The judgment creditor shall provide to the sheriff for service upon the judgment debtor's employer an execution earnings disclosure form and an earnings disclosure worksheet with the writ of execution, that must be substantially in the form set forth below.

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~
~~COUNTY OF .....~~ ~~.....JUDICIAL DISTRICT~~
~~FILE NO. .....~~
~~..... (Judgment Creditor)~~
~~against~~ ~~EARININGS~~
~~..... (Judgement Debtor)~~ ~~EXECUTION~~
~~and~~ ~~DISCLOSURE~~
~~.....(Third Party)~~

State of Minnesota **District Court**
County of: ..... Judicial District: .....
Court File Number: .....
Case Type: .....

Creditor's full name
.....
and
Debtor's full name
.....
and
Third Party (bank, employer, or other)
.....

Earnings Execution Disclosure
For Non-Child Support Judgments

This form is called an "Earnings Execution Disclosure" or "Disclosure." It is for the employer to fill out. The "debtor" is the person who owes money. The debtor gets a copy of this form for their own information.

The employer is also called the "third party garnishee" or "third party." The debtor is also called a "judgment debtor." If the debtor asks how the calculations in this document were made, the employer **must** provide information about it.

DEFINITIONS

~~"EARNINGS": For the purpose of execution, "earnings" means compensation paid or payable to an employee for personal services or compensation paid or payable to the producer for the sale of agricultural products; milk or milk products; or fruit or other horticultural products produced when the producer is operating a family farm, a family farm corporation, or an authorized farm corporation, as defined in section 500.24, subdivision 2, whether denominated as wages, salary, commission, bonus, or otherwise, and includes periodic payments pursuant to a pension or retirement.~~

~~"DISPOSABLE EARNINGS": Means that part of the earnings of an individual remaining after the deduction from those earnings of amounts required by law to be withheld. (Amounts required by law to be withheld do not include items such as health insurance, charitable contributions, or other voluntary wage deductions.)~~

"Earnings": what is paid or payable to an employee, independent contractor, or self-employed person for personal services (a job). Also called compensation. Compensation can be wages, salary, commission, bonuses, payments, profit-sharing distributions, severance payment, fees, or other. It includes periodic payments from a

pension or retirement. It can also be compensation paid or payable to a producer for the sale of agricultural products. This can be things like milk or milk products, or fruit or other horticultural products. Or things produced in the operation of a family farm, a family farm corporation, or an authorized farm corporation. This is defined in Minnesota Statutes, section 500.24, subdivision 2.

"**Disposable Earnings":** the part of a person's earnings that are left after subtracting the amounts required by law to be withheld. **Note:** Amounts required by law to be withheld do not include things like health insurance, charitable contributions, or other voluntary wage deductions.

"Payday": ~~For the purpose of execution, "payday(s)" means the date(s) upon which~~ the date when the employer pays earnings to the debtor ~~in the ordinary course of business~~ for doing their job. If the ~~judgment~~ debtor has no regular payday, ~~payday(s)~~ then "payday" means the 15th and the last day of each month.

The Third Party/Employer Must Answer The Following Questions:

(1) Right now, do you ~~now~~ owe~~, or within 90 days from the date the execution levy was served on you, will you or may you owe~~ money to the ~~judgment~~ debtor for earnings?

Yes ..... No .....

~~(2) Does the judgment debtor earn more than $... per week? (this amount is the greater of $9.50 per hour or the federal minimum wage per week)~~

(2) Within 90 days from the date you were served with the levy, will you or may you owe money to the debtor for earnings?

Yes ..... No .....

(3) Does the debtor earn more than the current Minnesota or federal minimum wage per week? (use the number that is more)

Yes ..... No .....

A. If you answer "No" to question 1, 2, or 3, you don't need to answer the rest of the questions. You don't have to do the Earnings Disclosure Worksheet. Sign the Earnings Disclosure Affirmation below and return this disclosure form to the sheriff. You must return it within 20 days after it was served on you.

B. If you answer "Yes" to question 1 or 2, and "Yes" to question 3, sign the Earnings Disclosure Affirmation below. You must return it to the sheriff within 20 days. You must also fill out the rest of this form. Read the instructions for the Earnings Disclosure Worksheet.

Earnings Disclosure Affirmation

I, ... (person signing Affirmation), am the third party/employer or I am authorized by the third party/employer to complete this earnings disclosure and have done so truthfully and to the best of my knowledge.

Date: .....
Third Party's Name: .....
Third Party's Signature: .....
Phone: .....Fax: .....
Email: .....

Instructions for Completing the Earnings Disclosure Worksheet

~~A. If your answer to either question 1 or 2 is "No," then you must sign the affirmation below and return this disclosure to the sheriff within 20 days after it was served on you, and you do not need to answer the remaining questions.~~

~~B. If your answers to both questions 1 and 2 are "Yes," you must complete this form and the Earnings Disclosure Worksheet as follows:~~

For each payday that falls within 90 days from the date the ~~execution~~ levy was served on you, you **must** calculate the amount of earnings to be ~~retained by completing steps 3 through 11 on page 2, and enter the amounts on the Earnings Disclosure Worksheet. UPON REQUEST, THE EMPLOYER MUST PROVIDE THE DEBTOR WITH INFORMATION AS TO HOW THE CALCULATIONS REQUIRED BY THIS DISCLOSURE WERE MADE~~ withheld. Enter the amounts on the Earnings Disclosure Worksheet.

You **must**:

(1) Withhold the amount of earnings listed in Column I on the Earnings Disclosure Worksheet each payday.

(2) After 90 days, return this Earnings Disclosure Worksheet to the sheriff. Include all the money withheld. Sign the Affirmation at the end of the worksheet before returning.

(3) Deliver a copy of the disclosure and worksheet to the debtor within 10 days after the last payday that falls within the 90-day period.

If the debt (judgment) is fully paid off or if the debtor's job ends before the 90-day period is over, you need to do the last disclosure and withholdings within 10 days of their last payday that you withheld money.

~~Each payday, you must retain the amount of earnings listed in column I on the Earnings Disclosure Worksheet.~~

~~You must pay the attached earnings and return this earnings disclosure form and the Earnings Disclosure Worksheet to the sheriff and deliver a copy of the disclosure and worksheet to the judgment debtor within ten days after the last payday that falls within the 90 day period. If the judgment is wholly satisfied or if the judgment debtor's employment ends before the expiration of the 90 day period, your disclosure and remittance should be made within ten days after the last payday for which earnings were attached.~~

~~For steps 3 through 11, "columns" refers to columns on the Earnings Disclosure Worksheet.~~

~~(3)~~	~~COLUMN A.~~	~~Enter the date of judgment debtor's payday.~~
~~(4)~~	~~COLUMN B.~~	~~Enter judgment debtor's gross earnings for each payday.~~
~~(5)~~	~~COLUMN C.~~	~~Enter judgment debtor's disposable earnings for each payday.~~
~~(6)~~	~~COLUMN D.~~	~~Enter 25 percent of disposable earnings. (Multiply column C by .25.)~~
~~(7)~~	~~COLUMN E.~~	~~Enter here the greater of 40 times $9.50 or 40 times the hourly federal minimum wage ($.....) times the number of work weeks included in each payday. (Note: If a payday includes days in excess of whole work weeks, the additional days should be counted as a fraction of a work week equal to the number of workdays in excess of a whole work week divided by the number of workdays in a normal work week.)~~
~~(8)~~	~~COLUMN F.~~	~~Subtract the amount in column E from the amount in column C, and~~

~~enter here.~~

~~(9) COLUMN G. Enter here the lesser of the amount in column D and the amount in column F.~~

~~(10) COLUMN H. Enter here any amount claimed by you as a setoff, defense, lien, or claim, or any amount claimed by any other person as an exemption or adverse interest which would reduce the amount of earnings owing to the judgment debtor. (Note: Any indebtedness to you incurred within ten days prior to your receipt of the first execution levy on a debt may not be set off against the earnings otherwise subject to this levy. Any wage assignment made by the judgment debtor within ten days prior to your receipt of the first execution levy on a debt is void.)~~

~~You must also describe your claim(s) and the claims of others, if known, in the space provided below the worksheet and state the name(s) and address(es) of these persons.~~

~~Enter zero in column H if there are no claims by you or others which would reduce the amount of earnings owing to the judgment debtor.~~

~~(11) COLUMN I. Subtract the amount in column H from the amount in column G and enter here. This is the amount of earnings that you must remit for the payday for which the calculations were made.~~

~~AFFIRMATION~~

~~I, ... (person signing Affirmation), am the third party/employer or I am authorized by the third party/employer to complete this earnings disclosure, and have done so truthfully and to the best of my knowledge.~~

~~DATED: .....~~

~~.....~~
~~Signature~~

~~.....~~
~~Title~~

~~.....~~
~~Telephone Number~~

~~EARNINGS DISCLOSURE WORKSHEET~~

~~.....~~
~~Debtor's Name~~

Calculating Percentage of Disposable Earnings

Note to Creditor: You must fill out this chart before sending this form to the employer. Use the current minimum wage found online at: https://www.dli.mn.gov/minwage.

Minimum Wage = $MW/hour.

if the weekly gross earnings are:	then this percentage of the disposable earnings are withheld:
Less than [40 X MW]	0%
[40 X MW + .01] to [60 X MW]	10%
[60 X MW + .01] to [80 X MW]	15%
[80 x MW + .01] or more	25%

Employer: Use this creditor's calculation chart to know what percentage of earnings should be withheld.

Earnings Disclosure Worksheet

.....
Debtor's name

A - Payday Date	B - Gross Earnings	C - Disposable Earnings
1.	$	$.....
2.	.....	.....
3.	.....	.....
4.	.....	.....
5.	.....	.....
6.	.....	.....
7.	.....	.....
~~8.~~	.....	.....
~~9.~~	.....	.....
~~10.~~	.....	.....

Column A. Enter the debtor's payday.

Column B. Enter the debtor's gross earnings for each payday.

Column C. Enter the debtor's disposable earnings for each payday.

D ~~25~~ - % of withholding of Column C (Use the creditor's calculation)	E - Greater of ~~40 X $9.50 or 40 X~~ MN or Fed. Min. Wage	F - Column C minus Column E
1.	.....	.....
2.	.....	.....
3.	.....	.....
4.	.....	.....
5.	.....	.....
6.	.....	.....
7.	.....	.....
~~8.~~	.....	.....
~~9.~~	.....	.....
~~10.~~	.....	.....

Column D. Enter the percentage of disposable earnings that will be withheld. Get this number from the creditor's calculation chart.

Column E. Calculate 40 times the current MN minimum wage (or 40 times the current federal minimum wage) times the number of work weeks in each payday. Enter the bigger number here. **Note:** If a payday has extra days that are more than a full work week, count those extra days as part of a work week. Do this by dividing the number of extra workdays by the number of workdays in a normal week.

Column F. Subtract the amount in Column E from the amount in Column C and enter here.

G - Lesser of Column D and Column F	H - Setoff, Lien, Adverse Interest, or Other Claims	I - Column G minus Column H
1.	.....	.....
2.	.....	.....
3.	.....	.....
4.	.....	.....
5.	.....	.....
6.	.....	.....
7.	.....	.....
~~8.~~	.....	.....
~~9.~~	.....	.....
~~10.~~	.....	.....
	TOTAL OF COLUMN I $	

Column G. Look at Column D and Column F. Enter the smaller amount of the two here in Column G.

Column H. Enter any amount claimed by you that would lower the amount of earnings that will go to the debtor. Things like:

(i) a setoff,

(ii) a defense,

(iii) a lien,

(iv) a claim, or

(v) any amount claimed by any other person as an exemption or adverse interest.

Note: You must describe your claim(s) and the claims of others, if known, in the spaces after this worksheet.

Enter zero in Column H if there are no claims by you or others which would lower the amount of earnings owed to the debtor.

Note: Any debt that happened within 10 days before you got the first levy on a debt may not be set off against the earnings that are affected by this levy. Any wage assignment made by the debtor within 10 days before you got the first levy on a debt is void. Wage assignment is when a debtor voluntarily agrees to money being taken out of their earnings.

Column I. Subtract the amount in Column H from the amount in Column G and enter here. This is the amount of earnings that go to the creditor.

~~*~~ **If you entered any amount in Column H** for any ~~payday(s)~~ payday, ~~you must~~ describe those claims below ~~either your claims, or the claims of others~~. It doesn't matter if they are your claims, or the claims of others. For ~~amounts claimed~~ claims by others, ~~you must both state~~ list the names and addresses of ~~such persons~~ each, and ~~the nature of~~ describe their ~~claim~~ claims, if ~~known~~ you know.

.....

.....

.....
.....

Earnings Worksheet Affirmation

I, ... (person signing Affirmation), am the third ~~party~~ party/employer or I am authorized by the third ~~party~~ party/employer to complete this earnings disclosure ~~worksheet,~~ and have done so truthfully and to the best of my knowledge.

.....
~~Signature~~

~~Dated: .... (...) .....~~
~~Title ..... Phone Number .....~~

Date: .....
Third Party's Name: .....
Third Party's Signature: .....
Phone: .....Fax: .....
Email: .....

Sec. 3. Minnesota Statutes 2024, section 550.143, subdivision 2, is amended to read:

Subd. 2. **Disclosure form.** Along with the writ of execution, the notice, instructions, and the exemption notice described in subdivision 3, the sheriff shall serve upon the financial institution an execution disclosure form which must be substantially in the following form:

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~
~~COUNTY OF .....~~ .....~~JUDICIAL DISTRICT~~
~~..... (Judgment Creditor)~~
~~against~~ ~~FINANCIAL INSTITUTION~~
~~.....(Judgement Debtor)~~ ~~EXECUTION~~
~~and~~ ~~DISCLOSURE~~
~~.....(Third Party)~~

State of Minnesota **District Court**
County of: ..... Judicial District: .....
Court File Number: .....
Case Type: .....

Creditor's full name
.....
and
Debtor's full name
.....
and
Third Party (bank, employer, or other)
.....

Execution Disclosure

This form is called a "Non-Earnings Disclosure" or "Disclosure." It is being sent to you because you might be holding property that belongs to the debtor, or you might owe money to the debtor.

You are the "third party" or "garnishee." The "debtor" is the person who owes money. The debtor is also called the "judgment debtor. " The creditor is the person the debtor owes money to. The creditor is also called the "judgment creditor." The debtor owes $..... to the creditor.

You must list any money or property you owe the debtor on the lines below and sign the affirmation. Write "none" on the line if that is your answer. You must then return this disclosure to the creditor (or the creditor's lawyer) within 20 days after you got it.

~~On the ..... day of ....., ..., the time of service of execution herein, there was due and owing the judgment debtor from the third party the following:~~

Fill in the date you got this disclosure:

..... (month) ..... (day), ... (year)

On the date you got this disclosure, you owed the debtor:

(1) Money. ~~Enter on the line below any amounts due and owing the judgment debtor, except earnings, from the third party.~~ Write down the amount of money you owe the debtor (except earnings).

.....

(2) Property. Write a short description of any personal property, instruments, or papers belonging to the debtor that you have in your possession. List the monetary value of each thing.

.....

~~(2)~~ (3) Setoff. ~~Enter on the line below the amount of any setoff, defense, lien, or claim which the third party claims against the amount set forth on line (1). State the facts by which such setoff, defense, lien, or claim is claimed. (Any indebtedness to a third party incurred by the judgment debtor within ten days prior to the receipt of the first execution levy on a debt is void as to the judgment creditor.)~~ If you claim a setoff, defense, lien, or claim against the amount on lines (1) and (2) above, enter that amount on the line below. State the facts about your claim. **Note:** Any payment the debtor makes to the garnishee within the 10 days before they get the first garnishment order on that debt can't be used to lower the amount that is being garnished.

.....

~~(3)~~ (4) Exemption. Enter any amounts or property that the debtor claims is exempt on the line below ~~any amounts or property claimed by the judgment debtor to be exempt from execution~~.

.....

~~(4)~~ (5) Adverse Interest. Enter on the line below any amounts ~~claimed by other persons by reason of ownership or interest in the judgment~~ of the debtor's property that other people claim they own or have interest in.

.....

~~(5)~~ (6) Enter ~~on the line below~~ the total of lines ~~(2), (3), and (4)~~ (3), (4), and (5) on the line below.

.....

~~(6)~~ (7) Enter ~~on the line below~~ the difference obtained (never less than zero) when line ~~(5)~~ (6) is subtracted from the ~~amount on line~~ sum of lines (1) and (2) on the line below.

.....

~~(7) Enter on the line below~~ (8) Figure out 110 percent of the amount of the ~~judgment~~ creditor's claim which ~~remains~~ is still unpaid. Enter it on the line below.

.....

~~(8) Enter on the line below the lesser of line (6) and line (7). You are hereby instructed to remit this amount only if it is $10 or more.~~

(9) Look at (7) and (8). Put the smaller number on the line below. Hold this amount only if it is $10 or more.

.....

AFFIRMATION

I, ... (person signing Affirmation), am the ~~third party~~ garnishee or I am authorized by the ~~third party~~ garnishee to complete this ~~nonearnings~~ non-earnings garnishment disclosure, and have done so truthfully and to the best of my knowledge.

~~Dated:~~ .....

.....
~~Signature~~

.....
~~Title~~

.....
~~Telephone Number~~

Date: .....
Name: .....
Signature: .....
Title: .....
Phone: .....Email: .....

Sec. 4. Minnesota Statutes 2024, section 550.143, subdivision 3a, is amended to read:

Subd. 3a. **Form of notice.** The notice required by subdivision 3 must be provided as a separate form and must be substantially in the following form:

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~
~~COUNTY OF .....~~ .....~~JUDICIAL DISTRICT~~
~~.....(Creditor)~~
~~.....(Debtor)~~
~~.....(Financial institution)~~

State of Minnesota **District Court**
County of: ..... Judicial District: .....
Court File Number: .....
Case Type: .....

Creditor's full name
.....
Debtor's full name
.....
Third Party (bank, employer, or other)
.....

Notice of Levied Funds

IMPORTANT NOTICE

~~**YOUR FUNDS HAVE BEEN LEVIED**~~
Money in Your Account Has Been Frozen

The creditor has frozen money in your account at your ~~financial institution~~ bank.

Your account balance is $.....

The amount being held is $.....

The amount being held ~~will be~~ is frozen for 14 days from the date of this notice.

Some of your money in your account may be protected (the legal word is exempt). You may be able to get it sooner than 14 days if you act quickly and follow the instructions on the next page.

The attached exemption form lists some different ~~sources of~~ ways money in your account ~~that~~ may be protected. If your money ~~is~~ comes from ~~one or more of these sources~~ a benefit on this list, ~~place~~ put a check ~~on the line on the form next to the sources of your money~~ in the box next to it. ~~If it is from one of these sources,~~ The creditor ~~cannot~~ can't take it.

BUT, if you want the bank to unfreeze your money, **you must follow the instructions and return the exemption form ~~and~~ with copies of your bank statements from the last 60 days** ~~to have the bank unfreeze your money~~. Instructions and the form are attached. If you ~~do not~~ don't follow the instructions, your ~~financial institution will give~~ bank gives the money to ~~the Sheriff~~ your creditor. If your creditor gets an order from the court or writ of execution, your bank gives the money to them. If that happens and ~~it~~ your money is protected, you can still get it back from the creditor later~~, but that is not as easy to do as filling in the form now~~. But filling out the form now is easiest.

~~See next pages for instructions and the exemption form.~~

See the attached *Exemption Form Instructions* and *Exemption Form* for your next steps.

Sec. 5. Minnesota Statutes 2024, section 550.143, subdivision 3b, is amended to read:

Subd. 3b. **Form of instructions.** The instructions required by this section must be in a separate form and must be substantially in the following form:

Exemption Form Instructions

Note: The creditor is who you owe the money to. You are the debtor.

1. Fill out **both** of the attached exemption forms in this packet.

If you check one of the lines, you should also give proof. Use proof that ~~shows~~ show that some or all of the money in your account is from one or more of the protected sources. This might be letters or account statements. Creditors may ask for a hearing if they question your exemptions.

To avoid a hearing:

(i) Case numbers should be added to the form.

(ii) Copies of documents should be sent with the form.

Notice: You must send ~~to the creditor's attorney (or to the creditor, if no attorney)~~ copies of your bank statements for the past 60 days before the ~~levy~~ garnishment. Send them to the creditor's lawyer (or to the creditor, if there isn't a lawyer). Keep a copy of your bank statements in case there are questions about your claim. If you ~~do not~~ don't send bank statements to the creditor's ~~attorney~~ lawyer (or to the creditor~~, if no attorney~~) ~~bank statements~~ along with your exemption claim, the financial institution may ~~release~~ give your money to the ~~Sheriff~~ creditor. They would do this once the creditor gives them a court order saying they have to turn over the funds.

2. **Sign** the exemption forms. **Make ~~one~~ a copy to keep for yourself.**

3. **Mail or deliver** the other copies of the form by (insert date).

Both Copies Must Be Mailed or Delivered the Same Day.

One copy of the form and the copies of your bank statements go to:

.....

~~(Insert name of creditor or creditor's attorney)~~

.....

~~(Insert address of creditor or creditor's attorney)~~

.....

~~One copy goes to:~~

.....

~~(Insert name of bank)~~

.....

~~(Insert address of bank)~~

Creditor's Name: .....
(or creditor's lawyer's name) .....
.....
Street Address: .....
City/State/Zip: .....
Phone: .....Fax: .....
Email: .....

One copy goes to:

Bank's Name: .....
Street Address: .....
City/State/Zip: .....
Phone: .....Fax: .....
Email: .....

How The Process Works

If You ~~Do Not~~ Don't Send in the Exemption Form and Bank Statements:

14 days after the date of this letter some or all of your money may be turned over to the creditor ~~or to the sheriff~~. This happens once they get an order from the court telling the bank to do this.

If You Do Send in the Exemption Form and Bank Statements:

Any money that is NOT protected can be turned over to the ~~sheriff~~ creditor once they get an order from the court.

If the Creditor Does Not Object to Your Claimed Exemptions:

The ~~financial institution will~~ bank should unfreeze your money ~~six~~ 6 business days after ~~the institution gets~~ they get your completed form. If they don't, ask the creditor or the creditor's lawyer to send a release letter to the bank.

If the Creditor Objects to Your Claimed Exemptions:

The money you ~~have~~ said is protected on the form ~~will be~~ is held by the bank. The creditor has ~~six~~ 6 business days to object (disagree) and ask the court to hold a hearing. You ~~will receive~~ get a Notice of Objection and a Notice of Hearing.

The ~~financial institution will hold~~ bank holds the money until a court decides ~~whether~~ if your money is protected or not. Some reasons a creditor may object are because you ~~did not~~ didn't send copies of your bank statements or other proof of the benefits you ~~received~~ got. Be sure to include these when you send your exemption form.

You may want to talk to a lawyer for advice about this process. If you are low income you can call Legal Aid statewide at 1(877) 696-6529.

~~**PENALTIES:**~~

Warnings and Fines

If you claim that your money is protected and a court decides you made that claim in bad faith, ~~the court~~ they can order you to pay costs, actual damages, ~~attorney~~ lawyer fees, and ~~an additional amount of~~ a fine up to $100. Bad faith is when someone does something wrong on purpose. For example, it may be bad faith if you claim you ~~receive~~ get government benefits ~~that~~ and you ~~do not receive~~ don't.

If the creditor made a bad faith objection to your claim that your money is protected, the court can order them to pay costs, actual damages, ~~attorney~~ lawyer fees, and ~~an additional amount of~~ a fine up to $100.

Sec. 6. Minnesota Statutes 2024, section 550.143, subdivision 3c, is amended to read:

Subd. 3c. **Form of exemption form.** The exemption form required by this subdivision must be sent as a separate form and must be in substantially the following form:

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~
~~COUNTY OF .....~~ .....~~JUDICIAL DISTRICT~~
~~.....(Creditor)~~
~~.....(Debtor)~~
~~.....(Financial institution)~~

State of Minnesota **District Court**
County of: ..... Judicial District: .....
Court File Number: .....
Case Type: .....

Creditor's full name
.....
Debtor's full name
.....
Third Party (bank, employer, or other)
.....

Exemption Form

~~**EXEMPTION FORM**~~

A. How Much Money is Protected (Exempt)

..... I claim ALL of the money being frozen by the bank is protected.

..... I claim SOME of the money is protected. The amount I claim is protected is $.....

B. Why The Money is Protected

My money is protected because I get it from one or more of the following places: *(Check all that apply)*

Earnings (Wages)

ALL or SOME of my wages may be protected.

..... **Some of my wages are protected because they were only deposited in my account in the last 20 days.**

For wages that were deposited in your account within the last 20 days, the amount protected is whichever is more:

(i) 75% or more of your wages (after taxes are taken out), or

(ii) The current minimum wage times 40 per week. You can find the current minimum wage here: https://www.dli.mn.gov/minwage.

All of my wages are protected because:

..... I get government benefits (a list of government benefits is on the next page)

..... I am getting other assistance based on need

..... I have gotten government benefits in the last 6 months

..... I was in jail or prison in the last 6 months

If you check one of these 4 boxes, your wages are only protected for 60 days after they are deposited in your account. You **MUST send the creditor copies of bank statements that show what was in your account for the 60 days right before the bank froze your money.**

.....~~**Government benefits**~~

Government benefits ~~include, but are not limited to, the following~~ can include many things. For example:

~~**MFIP - Minnesota Family Investment Program,**~~

~~MFIP Diversionary Work Program,~~

~~**Work participation cash benefit,**~~

~~**GA - General Assistance,**~~

~~**EA - emergency assistance,**~~
~~**MA - medical assistance,**~~
~~**EGA - emergency general assistance,**~~
~~**MSA - Minnesota Supplemental Aid,**~~
~~**MSA-EA - MSA Emergency Assistance,**~~
~~**Supplemental Nutrition Assistance Program (SNAP),**~~
~~**SSI - Supplemental Security Income,**~~
~~**MinnesotaCare,**~~
~~**Medicare Part B premium payments,**~~
~~**Medicare Part D extra help,**~~
~~**Energy or fuel assistance.**~~
(i) **MFIP - Minnesota Family Investment Program**
(ii) **DWP - MFIP Diversionary Work Program**
(iii) **SNAP - Supplemental Nutrition Assistance Program**
(iv) **GA - General Assistance**
(v) **EGA - Emergency General Assistance**
(vi) **MSA - Minnesota Supplemental Aid**
(vii) **MSA-EA - MSA Emergency Assistance**
(viii) **EA - Emergency Assistance**
(ix) **Energy or Fuel Assistance**
(x) **Work Participation Cash Benefit**
(xi) **MA - Medical Assistance**
(xii) **MinnesotaCare**
(xiii) **Medicare Part B - Premium Payments help**
(xiv) **Medicare Part D - Extra**
(xv) **SSI - Supplemental Security Income**
(xvi) **Tax Credits - federal Earned Income Tax Credit (EITC), MN Working family credit**
(xvii) **Renter's Refund (also called Renter's Property Tax Credit)**

~~**LIST SOURCE(S) OF FUNDING IN YOUR ACCOUNT**~~
~~.....~~

List the case number and county for every box you checked:
Case Number: ..... County: .....
Case Number: ..... County: .....
Case Number: ..... County: .....
~~County: .....~~
Government benefits also include:
..... Social Security benefits
..... Unemployment benefits
..... Workers' compensation
..... ~~**Veterans**~~ **Veterans' benefits**

If you ~~receive~~ get any of these government benefits, include copies of any documents ~~you have that show you receive Social Security, unemployment, workers' compensation, or veterans benefits~~ get them.

~~..... **Other assistance based on need**~~
..... I get other assistance based on need that is not on the list. It comes from:
.....
Make sure you include copies of any documents that show this.

~~You may have assistance based on need from another source that is not on the list. If you do, check this box, and fill in the source of your money on the line below:~~

~~Source: .....~~

~~**Include copies of any documents you have that show the source of this money.**~~

~~**EARNINGS**~~

~~**ALL or SOME of your earnings (wages) may also be protected.**~~
~~**All of your earnings (wages) are protected if:**~~
~~You get government benefits (see list of government benefits)~~
~~You currently receive other assistance based on need~~
~~You have received government benefits in the last six months~~
~~You were in jail or prison in the last six months~~
~~**If you check one of these lines, your wages are only protected for 60 days after they are deposited in your account so you MUST send the creditor a copy of BANK STATEMENTS that show what was in your account for the 60 days right before the bank froze your money.**~~
~~**Some of your earnings (wages) are protected.**~~
~~If all of your earnings are not exempt, then some of your earnings are still protected for 20 days after they were deposited in your account. The amount protected is the larger amount of:~~
~~75 percent of your wages (after taxes are taken out); or~~
~~(insert the sum of the current federal minimum wage) multiplied by 40.~~

C. Other ~~Exempt~~ Protected Funds

The money from ~~the following~~ these things are also completely protected after they are deposited in ~~your~~ my account.
Child support
~~**An accident, disability, or retirement**~~ **A retirement, disability, or accident pension or annuity**
Earnings of my child who is under 18 years of age
Payments to ~~**you**~~ **me from a life insurance policy**
~~**Earnings of your child who is under 18 years of age**~~
~~**Child support**~~
Money paid to ~~you~~ me from a claim for damage or destruction of property. Property includes household goods, farm tools or machinery, tools for ~~your~~ my job, business equipment, a mobile home, a car, a musical instrument, a pew or burial lot, clothes, furniture, or appliances.
Death benefits paid to ~~**you**~~ **me**

I give my permission to any agency that has given me ~~cash~~ benefits to give information about my benefits to the ~~above named~~ creditor~~, or its attorney~~ named above or to the creditor's lawyer. The information will **ONLY** ~~concern whether~~ be if I get ~~benefits or not~~ assistance, or ~~whether~~ if I have gotten ~~them~~ assistance in the past ~~six~~ 6 months. If I was an inmate in the last 6 months, I give my permission to the correctional institution to tell the creditor named above or the creditor's lawyer that I was an inmate there.

~~If I was an inmate in the last six months, I give my permission to the correctional institution to tell the above-named creditor that I was an inmate there.~~

You must sign ~~and send~~ this form and send it back to the creditor's ~~Attorney~~ lawyer (or to the creditor, if there is no ~~attorney~~ lawyer) and the bank. Remember to include a copy of your bank statements for the past 60 days. Fill in the blanks below and go back to the instructions to make sure you ~~do~~ did it correctly.

I ~~have~~ mailed or delivered a copy of this form to~~:~~ the creditor's lawyer (or to the creditor, if there is no lawyer) at the address listed below.

~~(Insert name of creditor or creditor's attorney)~~

~~(Insert address of creditor or creditor's attorney)~~

Creditor's Signature:
(or creditor's lawyer's signature)

Creditor's Name:
(or creditor's lawyer's name)

Street Address:
City/State/Zip:
Phone: Fax:
Email:

I ~~have~~ also mailed or delivered a copy of this exemption form to my bank at the address listed ~~in the instructions.~~ below:

~~DATED:~~

~~DEBTOR~~

~~DEBTOR ADDRESS~~

~~DEBTOR TELEPHONE NUMBER~~

Bank's Name:

Street Address:
City/State/Zip:
Phone: Fax:
Email:

Date:
Debtor's Signature:
Debtor's Name:
Street Address:
City/State/Zip:
Phone:
Email:

Sec. 7. Minnesota Statutes 2024, section 551.05, subdivision 1b, is amended to read:

Subd. 1b. **Form of notice.** The notice must be a separate form and must be substantially in the following form:

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~
~~COUNTY OF~~ ~~JUDICIAL DISTRICT~~

~~(Creditor)~~
~~(Debtor)~~
~~(Financial institution)~~

State of Minnesota **District Court**
County of: Judicial District:
Court File Number:
Case Type:

Creditor's full name:

Debtor's full name:

Third Party (bank, employer, or other):

IMPORTANT NOTICE

~~**YOUR FUNDS HAVE BEEN LEVIED**~~
Money in Your Account Has Been Frozen

The creditor has frozen money in your account at your ~~financial institution~~ bank.

Your account balance is $.....

The amount being held is $.....

The amount being held ~~will be~~ is frozen for 14 days from the date of this notice.

Some of your money in your account may be protected (the legal word is exempt). You may be able to get it sooner than 14 days if you act quickly and follow the instructions on the next page.

The attached exemption form lists some different ~~sources of~~ ways money in your account ~~that~~ may be protected. If your money ~~is from one or more of these sources, place a check on the line on the form next to the sources of your money. If it is from one of these sources, the Creditor cannot take it~~ comes from a benefit on this list, put a check on the line next to it. The creditor can't take it.

BUT, if you want the bank to unfreeze your money, **you must follow the instructions and return the exemption form ~~and~~ with copies of your bank statements from the last 60 days** ~~to have the bank unfreeze your money~~**.** Instructions and the form are attached. If you ~~do not~~ don't follow the instructions, your ~~financial institution will give~~ bank gives the money to ~~the~~ your creditor. If your creditor gets an order from the court or writ of execution, your bank gives the money to them. If that happens and ~~it~~ your money is protected, you can still get it back from the creditor later~~, but that is not as easy to do as filling in the form now~~. But filling out the form now is easiest.

~~See next pages for instructions and the exemption form.~~

Sec. 8. Minnesota Statutes 2024, section 551.05, subdivision 1c, is amended to read:

Subd. 1c. **Form of instructions.** The instructions required must be in a separate form and must be substantially in the following form:

INSTRUCTIONS

Note: The creditor is who you owe the money to. You are the debtor.

1. Fill out **both** of the attached exemption forms in this packet.

~~**If you check one of the lines, you should also give proof that shows that some or all of the money in your account is from one or more of the protected sources. Creditors may ask for a hearing if they question your exemptions. To avoid a hearing:**~~

~~**Case numbers should be added to the form. Copies of documents should be sent with the form.**~~

If you check one of the lines, you should also give proof. Use proof that shows that some or all of the money in your account is from one or more of the protected sources. This might be letters or account statements. Creditors may ask for a hearing if they question your exemptions.

To avoid a hearing:

(i) Case numbers should be added to the form.

(ii) Copies of documents should be sent with the form.

~~**Notice: YOU MUST SEND TO THE CREDITOR'S ATTORNEY (OR TO THE CREDITOR, IF NO ATTORNEY) COPIES OF YOUR BANK STATEMENTS FOR THE PAST 60 DAYS BEFORE THE LEVY. Keep a copy of your bank statements in case there are questions about your claim. If you do not send to the creditor's attorney (or to the creditor, if no attorney) bank statements with your exemption claim, the financial institution may release your money to the creditor.**~~

Notice: You must send copies of your bank statements for the past 60 days before the garnishment. Send them to the creditor (or to the creditor's lawyer). Keep a copy of your bank statements in case there are questions about your claim. If you don't send bank statements to the creditor (or to the creditor's lawyer) along with your exemption claim, the financial institution may give your money to the creditor. They would do this once the creditor gives them a court order saying they have to turn over the funds.

2. **Sign** the exemption forms. **Make one copy to keep for yourself.**

3. **Mail or deliver** the other copies of the form by (insert date).

Both Copies Must Be Mailed or Delivered the Same Day.

One copy of the form and the copies of your bank statements go to:

Creditor's Name:
~~(Insert name of creditor or creditor's attorney)~~ (or creditor's lawyer's name)
Street Address:
~~(Insert address of creditor or creditor's attorney)~~ City/State/Zip:
Phone: Fax:
Email:

One copy goes to:

Bank's Name:
~~(Insert name of bank)~~ Street Address:
City/State/Zip:
~~(Insert address of bank)~~ Phone: Fax:
Email:

How The Process Works

If You ~~Do Not~~ Don't Send in the Exemption Form and Bank Statements:

14 days after the date of this letter some or all of your money may be turned over to the creditor ~~pursuant to Minnesota statute~~. This happens once they get an order from the court telling the bank to do this.

If You Do Send in the Exemption Form and Bank Statements:

Any money that is NOT protected can be turned over to the creditor once they get an order from the court.

If the Creditor Does Not Object to Your Claimed Exemptions:

~~The financial institution will unfreeze your money six business days after the institution gets your completed form.~~ The bank should unfreeze your money 6 business days after they get your completed form. If they don't, ask the creditor or the creditor's lawyer to send a release letter to the bank.

If the Creditor Objects to Your Claimed Exemptions:

The money you ~~have~~ said is protected on the form ~~will be~~ is held by the bank. The creditor has ~~six~~ 6 business days to object (disagree) and ask the court to hold a hearing. You ~~will receive~~ get a Notice of Objection and a Notice of Hearing.

The ~~financial institution will hold~~ bank holds the money until a court decides ~~whether~~ if your money is protected or not. Some reasons a creditor may object are because you ~~did not~~ didn't send copies of your bank statements or other proof of the benefits you ~~received~~ got. Be sure to include these when you send your exemption form.

You may want to talk to a lawyer for advice about this process. If you are low income you can call Legal Aid statewide at 1(877) 696-6529.

~~**PENALTIES**~~ **Warnings and Fines:**

If you claim that your money is protected and a court decides you made that claim in bad faith, ~~the court~~ they can order you to pay costs, actual damages, ~~attorney~~ lawyer fees, and ~~an additional amount of~~ a fine up to $100. Bad faith is when someone does something wrong on purpose. For example, it may be bad faith if you claim you ~~receive~~ get government benefits ~~that you do not receive~~ and you don't.

If the creditor made a bad faith objection to your claim that your money is protected, the court can order them to pay costs, actual damages, ~~attorney~~ lawyer fees, and ~~an additional amount of~~ a fine up to $100.

Sec. 9. Minnesota Statutes 2024, section 551.05, subdivision 1d, is amended to read:

Subd. 1d. **Form of exemption form.** The exemption form required by this subdivision must be a separate form and must be in substantially the following form:

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~
~~COUNTY OF~~ ~~JUDICIAL DISTRICT~~

~~(Creditor)~~
~~(Debtor)~~
~~(Financial institution)~~

State of Minnesota **District Court**
County of:

Judicial District:
Court File Number:
Case Type:

Creditor's full name:

Exemption Form

against
Debtor's full name:

Bank's name:

~~EXEMPTION FORM~~

A. **How Much Money Is Protected (exempt)**
...I claim ALL of the money being frozen by the bank is protected.
...I claim SOME of the money is protected. The amount I claim is protected is $.....

B. **Why The Money Is Protected**
My money is protected because I get it from one or more of the following places: *(Check all that apply)*

Earnings (Wages)
ALL or SOME of my wages may be protected.
... **Some of my wages are protected because they were only deposited in my account in the last 20 days.**
For wages that were deposited in your account within the last 20 days, the amount protected is whichever is more:
(i) 75% of your wages or more (after taxes are taken out), or
(ii) The current minimum wage times 40 per week. You can find the current minimum wage here:
https://www.dli.mn.gov/minwage.

All of my wages are protected because:
...I get government benefits (a list of government benefits is on the next page)
...I am getting other assistance based on need
...I have gotten government benefits in the last 6 months
...I was in jail or prison in the last 6 months
If you check one of these 4 boxes, your wages are only protected for 60 days after they are deposited in your account. You **MUST send the creditor copies of bank statements that show what was in your account for the 60 days right before the**

bank froze your money.

Government benefits

Government benefits can include~~, but are not limited to, the following~~ many things. For example:

~~**MFIP - Minnesota family investment program,**~~

~~**MFIP Diversionary Work Program,**~~

~~**Work participation cash benefit,**~~

~~**GA - general assistance,**~~

~~**EA - emergency assistance,**~~

~~**MA - medical assistance,**~~

~~**EGA - emergency general assistance,**~~

~~**MSA - Minnesota supplemental aid,**~~

~~**MSA-EA - MSA emergency assistance,**~~

~~**Supplemental Nutrition Assistance Program (SNAP),**~~

~~**SSI - Supplemental Security Income,**~~

~~**MinnesotaCare,**~~

~~**Medicare Part B premium payments,**~~

~~**Medicare Part D extra help,**~~

~~**Energy or fuel assistance.**~~

~~**LIST SOURCE(S) OF FUNDING IN YOUR ACCOUNT**~~

~~**LIST THE CASE NUMBER AND COUNTY**~~

~~Case Number:~~

~~County:~~

~~**Government benefits also include:**~~

~~**Social Security benefits**~~

~~**Unemployment benefits**~~

~~**Workers' compensation**~~

~~**Veterans benefits**~~

~~**If you receive any of these government benefits, include copies of any documents you have that show you receive Social Security, unemployment, workers' compensation, or veterans benefits.**~~

~~**Other assistance based on need**~~

~~You may have assistance based on need from another source that is not on the list. If you do, check this box, and fill in the source of your money on the line below:~~

~~Source:~~

~~**Include copies of any documents you have that show the source of this money.**~~

~~**EARNINGS**~~

~~**ALL or SOME of your earnings (wages) may also be protected.**~~

~~**All of your earnings (wages) are protected if:**~~

~~You get government benefits (see list of government benefits)~~
~~You currently receive other assistance based on need~~
~~You have received government benefits in the last six months~~
~~You were in jail or prison in the last six months~~
~~**If you check one of these lines, your wages are only protected for 60 days after they are deposited in your account so you MUST send the creditor a copy of BANK STATEMENTS that show what was in your account for the 60 days right before the bank froze your money.**~~
~~**Some of your earnings (wages) are protected.**~~
~~If all of your earnings are not exempt, then some of your earnings are still protected for 20 days after they were deposited in your account. The amount protected is the larger amount of:~~
~~75 percent of your wages (after taxes are taken out); or~~
~~(insert the sum of the current federal minimum wage) multiplied by 40.~~
~~**OTHER EXEMPT FUNDS**~~
~~The money from the following are also completely protected after they are deposited in your account.~~
~~**An accident, disability, or retirement pension or annuity**~~
~~**Payments to you from a life insurance policy**~~
~~**Earnings of your child who is under 18 years of age**~~
~~**Child support**~~
~~**Money paid to you from a claim for damage or destruction of property Property includes household goods, farm tools or machinery, tools for your job, business equipment, a mobile home, a car, a musical instrument, a pew or burial lot, clothes, furniture, or appliances.**~~
~~**Death benefits paid to you**~~

(i) **MFIP - Minnesota Family Investment Program**
(ii) **DWP - MFIP Diversionary Work Program**
(iii) **SNAP - Supplemental Nutrition Assistance Program**

(iv) **GA - General Assistance**
(v) **EGA - Emergency General Assistance**
(vi) **MSA - Minnesota Supplemental Aid**
(vii) **MSA-EA - MSA Emergency Assistance**
(viii) **EA - Emergency Assistance**
(ix) **Energy or Fuel Assistance**
(x) **Work Participation Cash Benefit**
(xi) **MA - Medical Assistance**
(xii) **MinnesotaCare**
(xiii) **Medicare Part B - Premium Payments help**
(xiv) **Medicare Part D - Extra**
(xv) **SSI - Supplemental Security Income**
(xvi) **Tax Credits - federal Earned Income Tax Credit (EITC), Minnesota Working Family Credit**
(xvii) **Renter's Refund (also called Renter's Property Tax Credit)**

List the case number and county for every box you checked:
Case Number: County:
Case Number: County:
Case Number: County:
Government benefits also include:
...Social Security benefits
...Unemployment benefits
...Workers' compensation
...Veterans' benefits

If you get any of these government benefits, include copies of any documents that show you get them.

...I get other assistance based on need that is not on the list. It comes from:

Make sure you include copies of any documents that show this.

C. **Other Protected Funds**
The money from these things are also completely protected after they are deposited in my account.
...Child Support
...A retirement, disability, or accident pension or annuity
...Earnings of my child who is under 18 years of age
...Payments to me from a life insurance policy
...Money paid to me from a claim for damage or destruction of property.
Property includes household goods, farm tools or machinery, tools for my job, business equipment, a mobile home, a car, a musical instrument, a pew or burial lot, clothes, furniture, or appliances.
...Death benefits paid to me

I give my permission to any agency that has given me ~~cash~~ benefits to give information about my benefits to the ~~above-named creditor, or its attorney~~ creditor named above or to the creditor's lawyer. The information will **ONLY** ~~concern whether I get benefits or not, or whether I have gotten them in the past six months~~ be if I get assistance, or if I have gotten assistance in the past 6 months. If I was an inmate in the last ~~six~~ 6 months, I give my permission to the correctional institution to tell the ~~above-named~~ creditor named above or the creditor's lawyer that I was an inmate there.

~~**YOU MUST SIGN AND SEND THIS FORM BACK TO THE CREDITOR'S ATTORNEY (OR TO THE CREDITOR, IF NO ATTORNEY) AND THE BANK. REMEMBER TO INCLUDE A COPY OF YOUR BANK STATEMENTS FOR THE PAST 60 DAYS. FILL IN THE BLANKS BELOW AND GO BACK TO THE INSTRUCTIONS TO MAKE SURE YOU DO IT CORRECTLY.**~~

You must sign this form and send it back to the creditor's lawyer (or to the creditor, if there is no lawyer) and the bank. Remember to include a copy of your bank statements for the past 60 days. Fill in the blanks below and go back to the instructions to make sure you did it correctly.

I have mailed or delivered a copy of this form to~~:~~ the creditor (or creditor's lawyer) at the address listed below.

Creditor's Signature:
(~~Insert name of creditor or creditor's attorney~~ lawyer's signature)
Creditor's Name:
(~~Insert address of creditor or creditor's attorney~~ lawyer's name)

Street Address:
City/State/Zip:
Phone: Fax:
Email:

I ~~have~~ also mailed or delivered a copy of this exemption form to my bank at the address listed ~~in the instructions.~~ below:

~~DATED:~~

~~DEBTOR~~

~~DEBTOR ADDRESS~~

~~DEBTOR~~
~~TELEPHONE~~
~~NUMBER~~

Bank's Name:
Street Address:
City/State/Zip:
Phone: Fax:
Email:

Date:
Debtor's Signature:
Debtor's Name:
Street Address:
City/State/Zip:
Phone:
Email:

Sec. 10. Minnesota Statutes 2024, section 551.06, subdivision 6, is amended to read:

Subd. 6. **Earnings exemption notice.** Before the first levy on earnings, the attorney for the judgment creditor shall serve upon the judgment debtor no less than ten days before the service of the writ of execution, a notice that the writ of execution may be served on the judgment debtor's employer. The notice must: (1) be substantially in the form set forth below; (2) be served personally, in the manner of a summons and complaint, or by first class mail to the last known address of the judgment debtor; (3) inform the judgment debtor that an execution levy may be served on the judgment debtor's employer in ten days, and that the judgment debtor may, within that time, cause to be served on the judgment creditor's attorney a signed statement under penalties of perjury asserting an entitlement to an exemption from execution; (4) inform the judgment debtor of the earnings exemptions contained in section 550.37, subdivision 14; and (5) advise the judgment debtor of the relief set forth in this chapter to which the judgment debtor may be entitled if a judgment creditor in bad faith disregards a valid claim and the fee, costs, and penalty that may be assessed against a judgment debtor who in bad faith falsely claims an exemption or in bad faith takes action to frustrate the execution process. The notice requirement of this subdivision does not apply to a levy on earnings being held by an employer pursuant to a garnishment summons served in compliance with chapter 571.

The ten-day notice informing a judgment debtor that a writ of execution may be used to levy the earnings of an individual must be substantially in the following form:

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~
~~COUNTY OF~~ ~~JUDICIAL DISTRICT~~

~~(Judgment Creditor)~~

~~against~~

~~EXECUTION EXEMPTION NOTICE AND NOTICE OF~~
~~(Judgment Debtor)~~ ~~INTENT TO LEVY ON EARNINGS~~
~~and~~ ~~WITHIN TEN DAYS~~

~~(Third Party)~~

~~PLEASE TAKE NOTICE that A levy may be served upon your employer or other third parties, without any further court proceedings or notice to you, ten days or more from the date hereof. Your earnings are completely exempt from execution levy if you are now a recipient of relief based on need, if you have been a recipient of relief within the last six months, or if you have been an inmate of a correctional institution in the last six months.~~

~~Relief based on need includes the Minnesota Family Investment Program (MFIP), Emergency Assistance (EA), Work First Program, Medical Assistance (MA), General Assistance (GA), Emergency General Assistance (EGA), Minnesota Supplemental Aid (MSA), MSA Emergency Assistance (MSA EA), Supplemental Security Income (SSI), and Energy Assistance.~~

~~If you wish to claim an exemption, you should fill out the appropriate form below, sign it, and send it to the judgment creditor's attorney.~~

~~You may wish to contact the attorney for the judgment creditor in order to arrange for a settlement of the debt or contact an attorney to advise you about exemptions or other rights.~~

State of Minnesota
County of:

District Court
Judicial District:
Court File Number:
Case Type:

Creditor's full name:

against
Debtor's full name:

Execution Exemption Notice and Notice of Intent to Levy on Earnings

and
Third Party (bank, employer, or other):

Notice: A levy may be served on your employer or other third parties. **A levy means that part of your earnings can be taken to pay off debts that you owe.** This can happen in 10 days or more after you get this notice. This can happen without any other court action or notice to you. **But some of your money may be protected.**

Your earnings cannot be taken if:

(i) you are getting government assistance based on need,

(ii) you got any government assistance based on need in the last 6 months, or

(iii) you were an inmate of a correctional institution in the last 6 months.

These are called exemptions. Your money is NOT protected unless you fill out the Exemption Claim Notice attached and send it back to the creditor or the creditor's lawyer. If you are not sure if you have any exemptions, talk to a lawyer.

You can also contact the creditor or their lawyer to talk about a settlement of the debt.

Examples of government assistance based on need:
(i) **MFIP - Minnesota Family Investment Program**
(ii) **DWP - MFIP Diversionary Work Program**
(iii) **SNAP - Supplemental Nutrition Assistance Program**
(iv) **GA - General Assistance**
(v) **EGA - Emergency General Assistance**
(vi) **MSA - Minnesota Supplemental Aid**
(vii) **MSA-EA - MSA Emergency Assistance**
(viii) **EA - Emergency Assistance**
(ix) **Energy or Fuel Assistance**
(x) **Work Participation Cash Benefit**
(xi) **MA - Medical Assistance**
(xii) **MinnesotaCare**
(xiii) **Medicare Part B - Premium Payments help**
(xiv) **Medicare Part D - Extra**
(xv) **SSI - Supplemental Security Income**
(xvi) **Tax Credits - federal Earned Income Tax Credit (EITC), Minnesota Working Family Credit**
(xvii) **Renter's Refund (also called Renter's Property Tax Credit)**

~~PENALTIES~~ **Warnings and Fines**

(1) ~~Be advised that even if you claim an exemption, an execution levy may still be served on your employer. If your earnings are levied on after you claim an exemption, you may petition the court for a determination of your exemption. If the court finds that the judgment creditor disregarded your claim of exemption in bad faith, you will be entitled to costs, reasonable attorney fees, actual damages, and an amount not to exceed $100.~~ Even if you claim an exemption, a levy may still be served on your employer. If they take money from you after you claim an exemption, you may ask the court to review your exemption. If the court finds that the creditor ignored your claim of exemption in bad faith, you are entitled to costs, reasonable lawyer fees, actual damages, and a fine up to $100. Bad faith is when someone does something wrong on purpose.

(2) ~~HOWEVER, BE WARNED if you claim an exemption, the judgment creditor can also petition the court for a determination of your exemption, and if the court finds that you claimed an exemption in bad faith, you will be assessed costs and reasonable attorney's fees plus an amount not to exceed $100.~~ BUT if you claim an exemption, the creditor can also ask the court to review your exemption. If the court finds that you claimed an exemption in bad faith, you are charged costs and reasonable lawyer fees, and a fine up to $100.

(3) ~~If after receipt of this notice, you in bad faith take action to frustrate the execution levy, thus requiring the judgment creditor to petition the court to resolve the problem, you will be liable to the judgment creditor for costs and reasonable attorney's fees plus an amount not to exceed $100.~~ If you get this notice, then do something in bad faith to try to block or stop the levy and the creditor has to take you to court because of it, you will have to pay the creditor's costs, and reasonable lawyer's fees, and a fine up to $100.

~~DATED:~~

~~(Attorney for Judgment Creditor)~~

~~Address~~

~~Telephone~~

Date:
Creditor's Signature:
(or creditor's lawyer's signature)
Creditor's Name:
(or creditor's lawyer's name)
Street Address:
City/State/Zip:
Phone: Fax:
Email:

~~JUDGMENT DEBTOR'S EXEMPTION CLAIM NOTICE~~

Debtor's Exemption Claim Notice

I ~~hereby~~ claim that my earnings are exempt ~~from execution~~ because: (check all that apply)

~~(1)~~ ... I am ~~presently a recipient of relief~~ getting government assistance based on need. (~~Specify~~ State the program, case number if you know it, and the county ~~from which relief is being received~~ you got it from.)

~~Program~~ ~~Case Number (if known)~~ ~~County~~

Program: Case #: County:
Program: Case #: County:
Program: Case #: County:

~~(2)~~ ... I am not ~~now receiving relief~~ getting assistance based on need right now, but I ~~have received relief~~ did get government assistance based on need within the last ~~six~~ 6 months. (~~Specify~~ State the program, case number if you know it, and the county ~~from which relief has been received~~ you got it from.)

~~Program~~ ~~Case Number (if known)~~ ~~County~~

Program: Case #: County:
Program: Case #: County:
Program: Case #: County:

~~(3)~~ ... I ~~have been~~ was an inmate of a correctional institution within the last ~~six~~ 6 months. (~~Specify~~ State the correctional institution and location.)

Correctional Institution Location

~~I hereby authorize any agency that has distributed relief to me or any correctional institution in which I was an inmate to disclose to the above-named judgment creditor or the judgment creditor's attorney only whether or not I am or have been a recipient of relief based on need or an inmate of a correctional institution within the last six months. I have mailed or delivered a copy of this form to the creditor or creditor's attorney.~~

~~DATE:~~

~~Judgment Debtor~~

~~Address~~

I give my permission to any agency listed above to give information about my benefits to the creditor named above, or to the creditor's lawyer. The information will **ONLY** be if I get assistance, or if I have gotten assistance in the past 6 months. If I was an inmate in the last 6 months, I give my permission to the correctional institution to tell the creditor named above or the creditor's lawyer that I was an inmate there.

Date:
Debtor's Signature:
Debtor's Name:
Street Address:
City/State/Zip:
Phone:
Email:

Sec. 11. Minnesota Statutes 2024, section 551.06, subdivision 9, is amended to read:

Subd. 9. **Notice of levy on earnings, disclosure, and worksheet.** The attorney for the judgment creditor shall serve upon the judgment debtor's employer a notice of levy on earnings and an execution earnings disclosure form and an earnings disclosure worksheet with the writ of execution, that must be substantially in the form set forth below.

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~
~~COUNTY OF~~ ~~JUDICIAL DISTRICT~~

~~FILE NO.~~

~~(Judgment Creditor)~~

~~against~~ ~~NOTICE OF LEVY ON EARNINGS AND DISCLOSURE~~

~~(Judgment Debtor)~~

~~and~~

~~(Third Party)~~

~~PLEASE TAKE NOTICE that pursuant to Minnesota Statutes, sections 551.04 and 551.06, the undersigned, as attorney for the judgment creditor, hereby makes demand and levies execution upon all earnings due and owing by you (up to $10,000) to the judgment debtor for the amount of the judgment specified below. A copy of the writ of execution issued by the court is enclosed. The unpaid judgment balance is $.....~~

~~This levy attaches all unpaid nonexempt disposable earnings owing or to be owed by you and earned or to be earned by the judgment debtor before and within the pay period in which the writ of execution is served and within all subsequent pay periods whose paydays occur within the 90 days after the service of this levy.~~

~~In responding to this levy, you are to complete the attached disclosure form and worksheet and mail it to the undersigned attorney for the judgment creditor, together with your check payable to the above named judgment creditor, for the nonexempt amount owed by you to the judgment debtor or for which you are obligated to the judgment debtor, within the time limits set forth in the aforementioned statutes.~~

~~Attorney for the Judgment Creditor~~

~~Address~~
~~(...)~~
~~Phone Number~~

~~DISCLOSURE~~

~~DEFINITIONS~~

~~"EARNINGS": For the purpose of execution, "earnings" means compensation paid or payable to an employee for personal services or compensation paid or payable to the producer for the sale of agricultural products; milk or milk products; or fruit or other horticultural products produced when the producer is operating a family farm, a family farm corporation, or an authorized farm corporation, as defined in section 500.24, subdivision 2, whether denominated as wages, salary, commission, bonus, or otherwise, and includes periodic payments pursuant to a pension or retirement.~~

~~"DISPOSABLE EARNINGS": Means that part of the earnings of an individual remaining after the deduction from those earnings of amounts required by law to be withheld. (Amounts required by law to be withheld do not include items such as health insurance, charitable contributions, or other voluntary wage deductions.)~~

~~"PAYDAY": For the purpose of execution, "payday(s)" means the date(s) upon which the employer pays earnings to the judgment debtor in the ordinary course of business. If the judgment debtor has no regular payday, payday(s) means the 15th and the last day of each month.~~

State of Minnesota
County of:

District Court
Judicial District:
Court File Number:
Case Type:

Creditor's full name:

Notice of Levy on Earnings for Non-Child Support Judgments

against
Debtor's full name:

and
Third Party (Debtor's Employer):

To the employer:

An employee of yours owes a judgment (money) to a creditor. The creditor's lawyer is starting a levy on the earnings you owe the employee. A levy means that you might have to hold part of the employee's earnings and send it to the creditor. By law, you have to do this. The limit on the levy is $10,000. A copy of the writ of execution from the court is enclosed. The amount of the judgment is $.....

The levy applies to "nonexempt disposable earnings" that you owe the employee. There are definitions and instructions below on how to calculate the amount, if any, you have to hold. The levy starts with the pay period when you got this levy. It continues for all pay periods in the 90 days after you got this levy.

You must complete the attached disclosure form and worksheet. Then mail it to the lawyer listed below. If any money is owed under the levy, you must also send a check payable to the creditor listed above. Follow the steps and the deadlines explained below.

Creditor's Name:
Creditor's Lawyer's Name:
Street Address:
City/State/Zip:
Phone: Fax:
Email:

State of Minnesota
County of:

District Court
Judicial District:
Court File Number:
Case Type:

Creditor's full name:

Earnings Disclosure and Worksheet For Non-Child Support Judgments

against
Debtor's full name:

and
Third Party (Debtor's Employer):

This form is called an "Earnings Execution Disclosure" or "Disclosure." It is for the employer to fill out. The "debtor" is the person who owes money. The debtor gets a copy of this form for their own information.

The employer is the "third party." The debtor is also called a "judgment debtor." If the debtor asks how the calculations in this document were made, the employer **must** provide information about it.

Definitions

"Earnings": what is paid or payable to an employee, independent contractor, or self-employed person for personal services (a job). Also called compensation. Compensation can be wages, salary, commission, bonuses, payments, profit-sharing distributions, severance payment, fees, or other. It includes periodic payments from a pension or retirement. It can also be compensation paid or payable to a producer for the sale of agricultural products. This can be things like milk or milk products, or fruit or other horticultural products. Or things produced in the operation of a family farm, a family farm corporation, or an authorized farm corporation. This is defined in Minnesota Statutes, section 500.24, subdivision 2.

"Disposable Earnings": the part of a person's earnings that are left after subtracting the amounts required by law to be withheld. **Note:** Amounts required by law to be withheld do not include things like health insurance, charitable contributions, or other voluntary wage deductions.

"Payday": the date when the employer pays earnings to the debtor for doing their job. If the debtor has no regular payday, then "payday" means the 15th and the last day of each month.

THE THIRD PARTY/EMPLOYER MUST ANSWER THE FOLLOWING QUESTIONS:

1. ~~Do you now owe, or within 90 days from the date the execution levy was served on you, will you or may you owe money to the judgment debtor for earnings?~~ Right now, do you owe money to the debtor for earnings?

Yes ..... No .....

2. ~~Does the judgment debtor earn more than $... per week? (This amount is the greater of $9.50 per hour of the federal minimum wage per week.)~~ Within 90 days from the date you were served with the levy, will you or may you owe money to the debtor for earnings?

Yes ..... No .....

3. Does the debtor earn more than the current Minnesota or federal minimum wage per week? (use the number that is more)

Yes ..... No .....

~~INSTRUCTIONS FOR COMPLETING THE~~

~~EARNINGS DISCLOSURE~~

A. ~~If your answer to either question 1 or 2 is "No," then you must sign the affirmation on page 2 and return this disclosure to the judgment creditor's attorney within 20 days after it was served on you, and you do not need to answer the remaining questions.~~ If you answer "No" to question 1, 2, or 3, you don't need to answer the rest of the questions. You don't have to do the Earnings Disclosure Worksheet. Sign the Earnings Disclosure Affirmation below and return this disclosure form to the sheriff. You must return it within 20 days after it was served on you.

B. ~~If your answers to both questions 1 and 2 are "Yes," you must complete this form and the Earnings Disclosure Worksheet as follows:~~ If you answer "Yes" to question 1 or 2, and "Yes" to question 3, sign the Earnings Disclosure Affirmation below. You must return it to the sheriff within 20 days. You must also fill out the rest of this form. Read the instructions for the Earnings Disclosure Worksheet.

~~For each payday that falls within 90 days from the date the execution levy was served on you, YOU MUST calculate the amount of earnings to be retained by completing steps 3 through 11 on page 2, and enter the amounts on the Earnings Disclosure Worksheet. UPON REQUEST, THE EMPLOYER MUST PROVIDE THE DEBTOR WITH INFORMATION AS TO HOW THE CALCULATIONS REQUIRED BY THIS DISCLOSURE WERE MADE.~~

~~Each payday, you must retain the amount of earnings listed in column I on the Earnings Disclosure Worksheet.~~

~~You must pay the attached earnings and return this Earnings Disclosure Form and the Earnings Disclosure Worksheet to the judgment creditor's attorney and deliver a copy to the judgment debtor within ten days after the last payday that falls within the 90-day period.~~

~~If the judgment is wholly satisfied or if the judgment debtor's employment ends before the expiration of the 90-day period, your disclosure and remittance should be made within ten days after the last payday for which earnings were attached.~~

~~For steps 3 through 11, "columns" refers to columns on the Earnings Disclosure Worksheet.~~

~~3.~~	~~COLUMN A.~~	~~Enter the date of judgment debtor's payday.~~
~~4.~~	~~COLUMN B.~~	~~Enter judgment debtor's gross earnings for each payday.~~
~~5.~~	~~COLUMN C.~~	~~Enter judgment debtor's disposable earnings for each payday.~~
~~6.~~	~~COLUMN D.~~	~~Enter 25 percent of disposable earnings. (Multiply Column C by .25.)~~
~~7.~~	~~COLUMN E.~~	~~Enter here the greater of 40 times $9.50 or 40 times the hourly federal minimum wage ($.....) times the number of work weeks included in each payday. (Note: If a pay period includes days in excess of whole work weeks, the additional days should be counted as a fraction of a work week equal to the number of workdays in excess of a whole work week divided by the number of workdays in a normal work week.)~~
~~8.~~	~~COLUMN F.~~	~~Subtract the amount in Column E from the amount in Column C, and enter here.~~

~~9.~~	~~COLUMN G.~~	~~Enter here the lesser of the amount in Column D and the amount in Column F.~~
~~10.~~	~~COLUMN H.~~	~~Enter here any amount claimed by you as a setoff, defense, lien, or claim, or any amount claimed by any other person as an exemption or adverse interest which would reduce the amount of earnings owing to the judgment debtor. (Note: Any indebtedness to you incurred within ten days prior to your receipt of the first execution levy on a debt may not be set off against the earnings otherwise subject to this levy. Any wage assignment made by the judgment debtor within ten days prior to your receipt of the first execution levy on a debt is void.)~~ ~~You must also describe your claim(s) and the claims of others, if known, in the space provided below the worksheet and state the name(s) and address(es) of these persons.~~ ~~Enter zero in Column H if there are no claims by you or others which would reduce the amount of earnings owing to the judgment debtor.~~
~~11.~~	~~COLUMN I.~~	~~Subtract the amount in Column H from the amount in Column G and enter here. This is the amount of earnings that you must retain for the payday for which the calculations were made. The total of all amounts entered in Column I is the amount to be remitted to the attorney for the judgment creditor.~~

Earnings Disclosure Affirmation

I, ... (person signing Affirmation), am the third party/employer or I am authorized by the third party/employer to complete this earnings disclosure~~,~~ and have done so truthfully and to the best of my knowledge.

~~Dated:~~

~~Signature~~

~~Title~~

~~Telephone Number~~

~~EARNINGS DISCLOSURE WORKSHEET~~

~~.....~~

~~Judgment Debtor's Name~~

Date:
Third Party's Name:
Third Party's Signature:
Phone: Fax:
Email:

Instructions for Completing the Earnings Disclosure Worksheet

For each payday that falls within 90 days from the date the levy was served on you, you **must** calculate the amount of earnings to be withheld. Enter the amounts on the Earnings Disclosure Worksheet.

You **must:**

1. Withhold the amount of earnings listed in column I on the Earnings Disclosure Worksheet each payday.

2. After 90 days, return this Earnings Disclosure Worksheet to the sheriff. Include all the money withheld. Sign the Affirmation at the end of the worksheet before returning.

3. Deliver a copy of the disclosure and worksheet to the debtor within 10 days after the last payday that falls within the 90-day period.

If the debt (judgment) is fully paid off or if the debtor's job ends before the 90-day period is over, you need to do the last disclosure and withholdings within 10 days of their last payday that you withheld money.

Calculating Percentage of Disposable Earnings

Note to Creditor: You must fill out this chart before sending this form to the employer. Use the current minimum wage found online at: https://www.dli.mn.gov/minwage.

Minimum Wage = $MW/hour.

if the weekly gross earnings are:	then this percentage of the disposable earnings are withheld:
Less than [40 X MW]	0%
[40 X MW + .01] to [60 X MW]	10%
[60 X MW + .01] to [80 X MW]	15%
[80 X MW + .01] or more	25%

Employer: Use this creditor's calculation chart to know what percentage of earnings should be withheld.

Earnings Disclosure Worksheet

Debtor's Name

A Payday Date	B Gross Earnings	C Disposable Earnings
1.		
$2.		
3.		
4.		
5.		
6.		
7.		

~~8.~~
~~9.~~
~~10.~~

Column A. Enter the debtor's payday.

Column B. Enter the debtor's gross earnings for each payday.

Column C. Enter the debtor's disposable earnings for each payday.

D	E	F
~~25 % of~~ withholding of Column C (Use the creditor's calculation chart)	Greater of 40 X ~~$9.50 or 40 X~~ MN or Fed. Min. Wage	Column C minus Column E
1.		
2.		
3.		
4.		
5.		
6.		
7.		
~~8.~~		
~~9.~~		
~~10.~~		

Column D. Enter the percentage of disposable earnings that will be withheld. Get this number from the creditor's calculation chart.

Column E. Calculate 40 times the current Minnesota minimum wage (or 40 times the current federal minimum wage) times the number of work weeks in each payday. Enter the bigger number here. **Note:** If a payday has extra days that are more than a full work week, count those extra days as part of a work week. Do this by dividing the number of extra workdays by the number of workdays in a normal week.

Column F. Subtract the amount in Column E from the amount in Column C and enter here.

G	H	I
Lesser of Column D and Column F	Setoff, Lien, Adverse Interest, or Other Claims	Column G minus Column H
1.		
2.		
3.		
4.		
5.		
6.		
7.		
~~8.~~		
~~9.~~		
~~10.~~		

TOTAL OF COLUMN I ~~$~~

Column G. Look at column D and column F. Enter the smaller amount of the two here in column G.

Column H. Enter any amount claimed by you that would lower the amount of earnings that will go to the debtor. Things like:

(i) a setoff,

(ii) a defense,

(iii) a lien,

(iv) a claim, or

(v) any amount claimed by any other person as an exemption or adverse interest.

Note: You must describe your claim(s) and the claims of others, if known, in the spaces after this worksheet.

Enter zero in column H if there are no claims by you or others which would lower the amount of earnings owed to the debtor.

Note: Any debt that happened within 10 days before you got the first levy on a debt may not be set off against the earnings that are affected by this levy. Any wage assignment made by the debtor within 10 days before you got the first levy on a debt is void. Wage assignment is when a debtor voluntarily agrees to money being taken out of their earnings.

Column I. Subtract the amount in column H from the amount in column G and enter here. This is the amount of earnings that go to the creditor.

~~*~~ **If you entered any amount in Column H** for any ~~payday(s), you must describe below either your claims, or the claims of others. For amounts claimed by others, you must both state the names and addresses of these persons, and the nature of their claim, if known.~~ payday, describe those claims below. It doesn't matter if they are your claims, or the claims of others. For claims by others, list the names and addresses of each, and describe their claims, if you know.

Earnings Worksheet Affirmation

I, ... (person signing Affirmation), am the third party/employer or I am authorized by the third party/employer to complete this earnings disclosure ~~worksheet,~~ and have done so truthfully and to the best of my knowledge.

~~Dated:~~ ~~Signature~~ ~~Title (...)~~ ~~Phone Number~~

Date:
Third Party's Name:
Third Party's Signature:
Phone: Fax:
Email:

Sec. 12. Minnesota Statutes 2024, section 571.72, subdivision 8, is amended to read:

Subd. 8. **Exemption notice.** In every garnishment where the debtor is a natural person, the debtor shall be provided with a garnishment exemption notice. If the creditor is garnishing earnings, the earnings exemption notice provided in section 571.924 must be served ten or more days before the service of the first garnishment summons. If the creditor is garnishing funds in a financial institution, the exemption notice provided in section 571.912 must be served with the garnishment summons. In all other cases, the exemption notice must be in the following form and served on the debtor with a copy of the garnishment summons.

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~
~~COUNTY OF~~ ~~JUDICIAL DISTRICT~~
~~(Creditor)~~
~~against~~
~~(Debtor)~~ ~~EXEMPTION NOTICE~~
~~and~~
~~(Garnishee)~~

State of Minnesota **District Court**
County of: Judicial District:
Court File Number:
Case Type:

Creditor's full name

Exemption Notice

against
Debtor's full name

and
Third Party (bank, employer, or other)

A Garnishment Summons is being served ~~upon~~ on you. This means a creditor with a court judgment against you wants to take some of your money or property to pay the judgment. Some of your property may be exempt and ~~cannot~~ can't be ~~garnished~~ taken. 'Exempt' means protected. The following is a list of some ~~of the more~~ common exemptions. It is not a complete ~~and is subject to~~ list. For full details and dollar amounts set by law see section 550.37 of the Minnesota Statutes ~~and other state and federal laws. The dollar amounts contained in this list are subject to the provisions of section 550.37, subdivision 4a, at the time of garnishment~~. If you have questions about an exemption, ~~you should obtain~~ contact a lawyer for legal advice.

These things you or your family might have are protected:

(1) ~~a homestead or the proceeds from the sale of a homestead~~ equity in your home, or money from recently selling your home - up to $510,000 total;

(2) (i) all clothing, one watch, utensils, and foodstuffs;

(ii) household furniture, household appliances, ~~phonographs,~~ radios, ~~and~~ computers, tablets, televisions ~~up to a total current value of $5,850;~~, printers, cell phones, smart phones, and other consumer electronics up to $12,150 in all; and

(iii) jewelry - total value can't be more than $3,308;

(3) a manufactured (mobile) home ~~used as your home~~ you live in;

(4) one motor vehicle ~~currently worth less than $2,600 after deducting any security interest;~~, counting only the amount you have paid off:

(i) $10,000;

(ii) $12,500 if it is necessary for your business, trade, or profession;

(iii) $25,000 if used by or to help someone with a disability that makes it hard to walk; or

(iv) $100,000 if designed or modified for someone with a disability that makes it hard to walk;

(5) farm machinery ~~used by an individual principally engaged in farming, or~~ if your main business is farming. Tools, machines, or office furniture used in your business ~~or trade. This exemption is limited to~~ - the total value can't be more than $13,000;

(6) relief based on need. This includes:

(i) **MFIP -** Minnesota Family Investment Program ~~(MFIP) and Work First Program~~;

(ii) **DWP** - MFIP Diversionary Work Program;

~~(ii) Medical Assistance (MA);~~

(iii) **SNAP** - Supplemental Nutrition Assistance Program;

~~(iii)~~ (iv) **GA** - General Assistance ~~(GA)~~;

~~(iv)~~ (v) **EGA -** Emergency General Assistance ~~(EGA)~~;

~~(v)~~ (vi) **MSA -** Minnesota Supplemental Aid ~~(MSA)~~;

~~(vi) MSA Emergency~~ (vii) **MSA-EA** - MSA Emergency Assistance ~~(MSA-EA)~~;

~~(vii) Supplemental Security Income (SSI);~~

~~(viii) Energy Assistance; and~~

~~(ix)~~ (viii) **EA** - Emergency Assistance ~~(EA)~~;

(ix) **Energy or Fuel Assistance**;

(x) **Work Participation Cash Benefit**;

(xi) **MA** - Medical Assistance;

(xii) **MinnesotaCare**;

(xiii) **Medicare Part B** - Premium Payments help;

(xiv) **Medicare Part D** - Extra;

(xv) **SSI** - Supplemental Security Income;

(xvi) **Tax Credits** - federal Earned Income Tax Credit (EITC), Minnesota Working Family Credit; and

(xvii) **Renter's Refund** (also called Renter's Property Tax Credit);

(7) wages. 100% is protected if you get government assistance based on need. Otherwise, between 75-100% is protected depending on how much you earn;

(8) retirement benefits - the total interest under all plans and contracts can't be more than $81,000;

~~(7)~~ (9) Social Security benefits;

~~(8)~~ (10) unemployment benefits, workers' compensation, or ~~veteran's~~ veterans' benefits;

~~(9) an accident, disability, or retirement~~ (11) a retirement, disability, or accident pension or annuity;

~~(10)~~ (12) life insurance proceeds that are not more than $54,000;

~~(11)~~ (13) earnings of your minor child; ~~and~~

~~(12)~~ (14) money from a claim for damage or destruction of exempt property ~~(such as~~ - like household goods, farm tools, business equipment, a manufactured (mobile) home, or a ~~car).~~ car;

(15) sacred possessions - like the Bible, Torah, Qur'an, prayer rug, and other religious items. Total value can't be more than $2,000;

(16) personal library - total value can't be more than $750;

(17) musical instruments - total value can't be more than $2,000;

(18) family pets - current value can't be more than $1,000;

(19) a seat or pew in any house or place of public worship and a lot in any burial ground;

(20) tools you need to work in your business or profession - the total value can't be more than $13,500;

(21) household tools and equipment - things like hand and power tools, snow removal equipment, lawnmowers, and more. Total value can't be more than $3,000; and

(22) health savings accounts, medical savings accounts - the total value can't be more than $25,000.

Sec. 13. Minnesota Statutes 2024, section 571.72, subdivision 10, is amended to read:

Subd. 10. **Exemption notice for prejudgment garnishment. Exemption Notice**

Important Notice: A garnishment summons may be served on your employer, bank, or other third parties. This can happen without any further court proceeding or notice to you. See the attached Notice of Intent to Garnish for more information.

~~The following money and wages~~ Some of your money in your account may be protected (the legal word is exempt) from garnishment~~:~~.

~~1. Financial institutions/bank~~

~~Some of the money in your account may be protected because you receive government benefits from one or more of the following places:~~

Earnings (Wages)

ALL or SOME of my wages may be protected.

... **Some** of my wages are protected because they were only deposited in my account in the last 20 days.

For wages that were deposited in your account within the last 20 days, the amount protected is whichever is more:

(i) 75 percent of your wages or more (after taxes are taken out), or

(ii) The current minimum wage times 40 per week. You can find the current minimum wage here: https://www.dli.mn.gov/minwage.

All of my wages are protected because:

...I get government benefits (a list of government benefits is on the next page)

...I am getting other assistance based on need

...I have gotten government benefits in the last 6 months

...I was in jail or prison in the last 6 months

If you check one of these four boxes, your wages are only protected for 60 days after they are deposited in your account. You **MUST send the creditor copies of bank statements** that show what was in your account **for the 60 days right before the bank froze your money.**

Government Benefits

Government benefits can include many things. For example:

...**MFIP** - Minnesota Family Investment Program~~,~~

... **DWP -** MFIP Diversionary Work Program~~,~~

~~**Work participation cash benefit,**~~

... **SNAP** - Supplemental Nutrition Assistance Program

...**GA** - General Assistance~~,~~

... **EGA** - Emergency General Assistance

... **MSA** - Minnesota Supplemental Aid

... **MSA-EA** - MSA Emergency Assistance

...**EA** - Emergency Assistance~~,~~

... **Energy or Fuel Assistance**

... **Work Participation Cash Benefit**

...**MA** - Medical Assistance~~,~~

~~**EGA** - emergency general assistance or county crisis funds,~~

~~**MSA** - Minnesota supplemental aid,~~

~~**MSA-EA** - MSA emergency assistance,~~

~~**Supplemental Nutrition Assistance Program (SNAP),**~~

~~**SSI - Supplemental Security Income,**~~

...**MinnesotaCare~~,~~**

...**Medicare Part B** - Premium Payments~~,~~ help

...**Medicare Part D** - Extra ~~help,~~

... **SSI** - Supplemental Security Income

~~**Energy or fuel assistance,**~~

... **Tax Credits** - federal Earned Income Tax Credit (EITC), Minnesota Working Family Credit

... **Renter's Refund** (also called Renter's Property Tax Credit)

List the case number and county for every box you checked:

Case Number:	County:
Case Number:	County:
Case Number:	County:

Government benefits also include:

...**Social Security benefits~~,~~**

...**Unemployment benefits~~,~~**

...**Workers' compensation~~,~~**

~~**Veterans**~~... **Veterans' benefits~~.~~**

~~**Sending the creditor's attorney (or creditor, if no attorney) a copy of BANK STATEMENTS that show what was in your account for the past 60 days may give the creditor enough information about your exemption claim to avoid a garnishment.**~~

~~**2. Earnings**~~

~~All or some of your earnings may be completely protected from garnishment if:~~

~~**All of your earnings (wages) may be protected if:**~~

~~You get government benefits (see list of government benefits)~~

~~You currently receive other assistance based on need~~

~~You have received government benefits in the last six months~~

~~You were in jail or prison in the last six months~~

~~Your wages are only protected for 60 days after they are deposited in your account so **it would be helpful if you immediately send the undersigned creditor a copy of BANK STATEMENTS** that show what was in your account **for the past 60 days**.~~

~~**Some of your earnings (wages) may be protected if:**~~

~~If all of your earnings are not exempt, some of your earnings may still be protected for 20 days after they were deposited in your account. The amount protected is the larger amount of:~~

~~75 percent of your wages (after taxes are taken out); or~~

~~(insert the sum of the current federal minimum wage) multiplied by 40.~~

If you get any of these government benefits, include copies of any documents that show you get them.

...I get other assistance based on need that is not on the list. It comes from:

Make sure you include copies of any documents that show this.

Other Protected Funds

The money from ~~the following~~ these things are also ~~exempt for 20 days~~ completely protected after they are deposited in ~~your~~ my account.

...Child Support

~~**An accident, disability, or retirement**~~...A retirement, disability, or accident pension or annuity

~~Payments to **you** from a life insurance policy~~

...Earnings of ~~**your**~~ my child who is under 18 years of age

...Payments to me from a life insurance policy

~~**Child support**~~

...Money paid to ~~**you**~~ me from a claim for damage or destruction of property. Property includes household goods, farm tools or machinery, tools for ~~**your**~~ my job, business equipment, a mobile home, a car, a musical instrument, a pew or burial lot, clothes, furniture, or appliances~~.~~

...Death benefits paid to ~~**you.**~~ me

You ~~WILL BE ABLE TO~~ can claim these exemptions when you ~~RECEIVE~~ get a notice. You will get the notice at least ~~ten~~ 10 days BEFORE a wage garnishment. BUT if the creditor garnishes your bank account, you ~~will not~~ won't get the notice until AFTER the account has been frozen. If you believe the money in your bank account or your wages are exempt, ~~YOU SHOULD IMMEDIATELY~~ contact the person below right away. ~~YOU SHOULD~~ Tell them why you think your account or wages are exempt to see if you can avoid garnishment.

~~Creditor~~
~~Creditor Address~~
~~Creditor telephone number~~

Creditor's Name:
(or creditor's lawyer's name)
Street Address:
City/State/Zip:
Phone: Fax:
Email:

Sec. 14. Minnesota Statutes 2024, section 571.74, is amended to read:

571.74 GARNISHMENT SUMMONS AND NOTICE TO DEBTOR.

The garnishment summons and notice to debtor must be substantially in the following form. The notice to debtor must be in no smaller than 14-point type.

~~GARNISHMENT SUMMONS~~

~~STATE OF MINNESOTA~~
~~COUNTY OF~~
~~(Creditor)~~
~~(Debtor)~~
~~(Debtor's Address)~~
~~(Garnishee)~~

~~DISTRICT COURT~~
~~JUDICIAL DISTRICT~~

~~UNPAID BALANCE~~
~~Date of Entry~~
~~of Judgment (or) Subject to Minnesota Statutes, section 571.71, clause (2)~~

State of Minnesota **District Court**
County of: Judicial District:
Court File Number:
Case Type:

Creditor's full name

Garnishment Summons

and
Debtor's full name

Third Party (bank, employer, or other)

Unpaid Balance:

~~GARNISHMENT SUMMONS~~

~~The State of Minnesota~~

To the ~~Garnishee~~ Third Party (garnishee) named above:

~~You are hereby summoned and required to serve upon the creditor's attorney (or the creditor if not represented by an attorney) and on the debtor within 20 days after service of this garnishment summons upon you, a written disclosure, of the nonexempt indebtedness, money, or other property due or belonging to the debtor and owing by you or in your possession or under your control and answers to all written interrogatories that are served with the garnishment summons. However, if the garnishment is on earnings and the debtor has garnishable earnings, you shall serve the completed disclosure form on the creditor's attorney, or the creditor if not represented by an attorney, within ten days of the last payday to occur within the 90 days after the date of the service of this garnishment summons. "Payday" means the day which you pay earnings in the ordinary course of business. If the debtor has no regular paydays, "payday" means the 15th day and the last day of each month.~~

~~Your disclosure need not exceed 110 percent of the amount of the creditor's claim that remains unpaid.~~

~~You shall retain garnishable earnings, other indebtedness, money, or other property in your possession in an amount not to exceed 110 percent of the creditor's claim until such time as the creditor causes a writ of execution to be served upon you, until the debtor authorizes you in writing to release the property to the creditor, or until the expiration of..... days from the date of service of this garnishment summons upon you, at which time you shall return the disposable earnings, other indebtedness, money, or other property to the debtor.~~

A court has ordered that you must serve a written statement to the creditor (or to the creditor's lawyer). You must do this within 20 days after you get this notice. Your written statement should include any money, or other property of the debtor that you have or owe to them. It should also include answers to any questions that are in this summons.

But, if the garnishment is on earnings and the debtor has earnings that can be garnished, fill out the completed disclosure form. Then serve it on the creditor (or the creditor's lawyer). It must be served within 10 days of the last payday within the 90 days after the date you got this summons. If the debtor has no regular paydays, "payday" means the 15th day and the last day of each month.

You don't have to disclose more than 110% of the unpaid amount that is owed to the creditor. Keep earnings that can be garnished, other indebtedness, money, or other property in your possession in an amount not to exceed 110 percent of the creditor's claim. Keep this until:

(i) the creditor has a writ of execution served on you;

(ii) the debtor gives you permission in writing to release the property to the creditor; or

(iii) it's been ... days from the day you got this garnishment summons.

Then you give the debtor back the disposable earnings, other indebtedness, money, or other property.

Earnings

~~In the event~~ If you are summoned as a garnishee because you owe "earnings" ~~(as defined on the Earnings Garnishment Disclosure form attached to this Garnishment Summons, if applicable)~~ to the debtor, then you ~~are required to~~ must serve ~~upon the creditor's attorney, or the creditor if not represented by an attorney, a written~~ an Earnings Disclosure Form ~~within~~ on the creditor (or the creditor's lawyer). The Earnings Disclosure Form must be in writing and must be served in the time limit set ~~forth~~ above. "Earnings" are defined on the Earnings Garnishment Disclosure Form attached to this Garnishment Summons.

In the case of earnings, you ~~are further required to retain in your possession~~ must keep all unpaid, nonexempt disposable earnings ~~owed or to be owed by you and earned or to be earned~~ that you owe or will owe to the debtor ~~within~~ during the pay period ~~in which~~ when this garnishment ~~summons~~ notice is ~~served and within all subsequent pay periods whose paydays (defined above) occur within the 90 days after the date of service of this garnishment summons~~ delivered and for all pay periods within 90 days after this notice is served.

~~Any assignment of earnings made by the debtor to any party within ten days before the receipt of the first garnishment on a debt is void. Any indebtedness to you incurred by the debtor within the ten days before the receipt of the first garnishment on a debt may not be set off against amounts otherwise subject to the garnishment.~~

Any transfer of earnings made by the debtor to someone else within 10 days before the first garnishment notice is invalid. Any debt the debtor owes you from within those 10 days can't be used to lower the amount that can be garnished.

~~You are prohibited~~ By law ~~from discharging or disciplining~~ you can't fire or discipline the debtor because ~~the debtor's~~ their earnings have been subject to garnishment.

This Garnishment Summons includes:

(check ~~applicable box~~ the boxes that apply)

Earnings garnishment (see attached Earnings Disclosure Form)
Nonearnings garnishment (see attached Nonearnings Disclosure Form)
Both Earnings and Nonearnings garnishment (see both attached Earnings and Nonearnings Disclosure Form)

Notice to Debtor

You are being served copies of a Garnishment Summons, Earnings Garnishment Disclosure Form, Nonwage Garnishment Disclosure Form, Garnishment Exemption Notices and/or written Interrogatories (strike out if not applicable)~~,~~. Copies of ~~which are hereby served on you, were served upon the Garnishee by delivering copies~~ these same documents were also delivered to the Garnishee. The Garnishee was paid $15.

~~Dated:~~

~~Attorney for Creditor (or creditor)~~

~~Address~~

~~Telephone~~

~~Attorney I.D. No~~

Date:
Creditor's Signature:
(or creditor's lawyer's signature)
Creditor's Name:
(or creditor's lawyer's name)
Street Address:
City/State/Zip:
Phone: Fax:
Email:

Sec. 15. Minnesota Statutes 2024, section 571.75, subdivision 2, is amended to read:

Subd. 2. **Contents of disclosure.** The disclosure must state:

(a) If an earnings garnishment disclosure, the amount of disposable earnings earned by the debtor within the debtor's pay periods as specified in section 571.921.

(b) If a nonearnings garnishment disclosure, a description of any personal property or any instrument or papers relating to this property belonging to the judgment debtor or in which the debtor is interested or other indebtedness of the garnishee to the debtor.

(c) If the garnishee asserts any setoff, defense, claim, or lien on disposable earnings, other indebtedness, money, or property, the garnishee shall disclose the amount and the facts concerning the same.

(d) Whether the debtor asserts any exemption, or any other objection, known to the garnishee against the right of the creditor to garnish the disposable earnings, other indebtedness, money, or property disclosed.

(e) If other persons assert claims to any disposable earnings, other indebtedness, money, or property disclosed, the garnishee shall disclose the names and addresses of these claimants and, so far as known by the garnishee, the nature of their claims.

(f) The garnishment disclosure forms and earnings disclosure worksheet must be the same or substantially similar to the following forms. If the garnishment affects earnings of the debtor, the creditor shall use the earnings garnishment disclosure form. If the garnishment affects any indebtedness, money, or property of the debtor, other than earnings, the creditor shall use the nonearnings garnishment disclosure form. Nothing contained in this paragraph limits the simultaneous use of the earnings and nonearnings garnishment disclosure forms.

EARNINGS DISCLOSURE FORM AND WORKSHEET

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~
~~COUNTY OF~~ ~~JUDICIAL DISTRICT~~
~~(Creditor)~~
~~(Debtor)~~ ~~GARNISHMENT~~
~~(Garnishee)~~ ~~EARNINGS DISCLOSURE~~

State of Minnesota **District Court**
County of: Judicial District:
Court File Number:
Case Type:

Creditor's full name

and

Debtor's full name

Garnishment Earnings Disclosure
For Non-Child Support Judgments

Third Party (bank, employer, or other)

This form is called a "Garnishment Earnings Disclosure" or "Disclosure. " It is for the employer to fill out. The "debtor" is the person who owes money. The debtor gets a copy of this form for their own information. The debtor is also called a "judgment debtor."

The "creditor" is the party owed the money. The creditor is also called a "judgment creditor."

The "employer" is the "third party" or "garnishee." If the debtor asks how the calculations in this document were made, the employer **must** provide information about it.

Definitions

" **Earnings**": ~~For the purpose of garnishment, "earnings" means compensation~~ what is paid or payable to an employee, independent contractor or self-employed person for personal services ~~or~~ (a job). Also called compensation. Compensation can be wages, salary, commission, bonus, payments, profit-sharing distributions, severance payment, fees or other. It includes periodic payments from a pension or retirement. It can also be compensation paid or payable to ~~the~~ a producer for the sale of agricultural products~~;~~. This can be things like milk or milk products~~;~~, or fruit or other horticultural products. Or things produced ~~when the producer is operating~~ in the operation of a family farm, a family farm corporation, or an authorized farm corporation~~, as~~. This is defined in section 500.24, subdivision 2~~, whether denominated as wages, salary, commission, bonus, or otherwise, and includes periodic payments pursuant to a pension or retirement~~.

" **Disposable Earnings**": ~~Means that~~ the part of ~~the~~ a person's earnings ~~of an individual remaining after the deduction from those earnings of~~ that are left after subtracting the amounts required by law to be withheld. ~~(Amounts~~ N**ote:** Amounts required by law to be withheld do not include ~~items such as~~ things like health insurance, charitable contributions, or other voluntary wage deductions. ~~)~~

" **Payday**": ~~For the purpose of garnishment, "payday(s)" means the date(s) upon which~~ the date when the employer pays earnings to the debtor ~~in the ordinary course of business~~ for doing their job. If the debtor has no regular payday, ~~payday(s)~~ then "payday" means the ~~fifteenth~~ 15th and the last day of each month.

The Employer/ Garnishee Must Answer The Following Questions:

1. ~~Do you~~ Right now ~~owe, or within 90 days from the date the garnishment summons was served on you, will you or,~~ do you ~~expect to~~ owe money to the debtor for earnings?

~~Yes .....~~ ~~No .....~~

Yes ..... No .....

2. Within 90 days from the date you were served with the garnishment, will you or may you owe money to the debtor for earnings?

Yes ..... No .....

~~2~~ 3. Does the debtor earn more than ~~$..... per week? (This amount is the greater of $9.50 per hour or~~ the current Minnesota or federal minimum wage per week~~.~~ ? (use the number that is more)

~~Yes ..... No .....~~

Yes ..... No .....

~~INSTRUCTIONS FOR COMPLETING THE~~

~~EARNINGS DISCLOSURE~~

~~A. If your answer to either question 1 or 2 is "No," then you must sign the affirmation on Page 2 and return this disclosure to the creditor's attorney (or the creditor if not represented by an attorney) within 20 days after it was served on you, and you do not need to answer the remaining questions.~~

~~B. If your answers to both questions 1 and 2 are "Yes," you must complete this form and the Earnings Disclosure Worksheet as follows:~~

A. If you answer "No" to question 1, 2, or 3, you don't need to answer the rest of the questions. You don't have to do the Earnings Disclosure Worksheet. Sign the Earnings Disclosure Affirmation below and return this disclosure form to the creditor's attorney (or the creditor if not represented by an attorney). You must return it within 20 days after it was served on you.

B. If you answer "Yes" to question 1 or 2, and "Yes" to question 3, sign the Earnings Disclosure Affirmation below. You must return it to the creditor's attorney (or the creditor if not represented by an attorney) within 20 days. You must also fill out the rest of this form. Read the instructions for the Earnings Disclosure Worksheet.

Earnings Disclosure Affirmation

I, ... (person signing Affirmation), am the third party/employer or I am authorized by the third party/employer to complete this earnings disclosure and have done so truthfully and to the best of my knowledge.

Date:
Signature of Third Party/Employer:

Title:
Phone:

Instructions for Completing the Earnings Disclosure Worksheet

For each payday that falls within 90 days from the date the garnishment ~~summons~~ was served on you, you **must** calculate the amount of earnings to be ~~retained by completing Steps 3 through 11, and enter the amounts on the Earnings Disclosure Worksheet. UPON REQUEST, THE EMPLOYER MUST PROVIDE THE DEBTOR WITH INFORMATION AS TO HOW THE CALCULATIONS REQUIRED BY THIS DISCLOSURE WERE MADE.~~ withheld. Enter the amounts on the Earnings Disclosure Worksheet.

~~Each payday, you must retain the amount of earnings listed in Column I on the Earnings Disclosure Worksheet.~~

~~You must return this Earnings Disclosure Form and the Earnings Disclosure Worksheet to the creditor's attorney (or the creditor if not represented by an attorney) and deliver a copy to the debtor within ten days after the last payday that falls within the 90-day period.~~

~~If the claim is wholly satisfied or if the debtor's employment ends before the expiration of the 90-day period, your disclosure should be made within ten days after the last payday for which earnings were attached.~~

~~For Steps 3 through 11, "Columns" refers to columns on the Earnings Disclosure Worksheet.~~

~~3.~~	~~COLUMN A.~~	~~Enter the date of debtor's payday.~~
~~4.~~	~~COLUMN B.~~	~~Enter debtor's gross earnings for each payday.~~
~~5.~~	~~COLUMN C.~~	~~Enter debtor's disposable earnings for each payday.~~
~~6.~~	~~COLUMN D.~~	~~Enter 25 percent of disposable earnings. (Multiply Column C by .25.)~~
~~7.~~	~~COLUMN E.~~	~~Enter here the greater of 40 times $9.50 or 40 times the hourly federal minimum wage ($.....) times the number of work weeks included in each payday. (Note: If a pay period includes days in excess of whole work weeks, the additional days should be counted as a fraction of a work week equal to the number of workdays in excess of a whole work week divided by the number of workdays in a normal work week.)~~
~~8.~~	~~COLUMN F.~~	~~Subtract the amount in Column E from the amount in Column C, and enter here.~~
~~9.~~	~~COLUMN G.~~	~~Enter here the lesser of the amount in Column D and the amount in Column F.~~
~~10.~~	~~COLUMN H.~~	~~Enter here any amount claimed by you as a setoff, defense, lien, or claim, or any amount claimed by any other person as an exemption or adverse interest which would reduce the amount of earnings owing to the debtor. (Note: Any indebtedness to you incurred by the debtor within the ten days before the receipt of the first garnishment on a debt may not be set off against amounts otherwise subject to the garnishment. Any assignment of earnings made by the debtor to any party within ten days before the receipt of the first garnishment on a debt is void.)~~ ~~You must also describe your claim(s) and the claims of others, if known, in the space provided below the worksheet and state the name(s) and address(es) of these persons.~~ ~~Enter zero in Column H if there are no claims by you or others which would reduce the amount of earnings owing to the debtor.~~
~~11.~~	~~COLUMN I.~~	~~Subtract the amount in Column H from the amount in Column G and enter here. This is the amount of earnings that you must retain for the payday for which the calculations were made.~~

~~AFFIRMATION~~

~~I, ... (person signing Affirmation), am the garnishee or I am authorized by the garnishee to complete this earnings disclosure, and have done so truthfully and to the best of my knowledge.~~

~~Dated:~~

~~Signature~~

~~Title~~

~~Telephone Number~~

~~EARNINGS DISCLOSURE WORKSHEET~~

~~.....~~

~~Debtor's Name~~

You **must**:

1. Withhold the amount of earnings listed in column I on the Earnings Disclosure Worksheet each payday.

2. After 90 days, return this Earnings Disclosure Worksheet to the creditor's attorney (or the creditor if not represented by an attorney). Include all the money withheld. Sign the Affirmation at the end of the worksheet before returning.

3. Deliver a copy of the disclosure and worksheet to the debtor within 10 days after the last payday that falls within the 90-day period.

If the debt (judgment) is fully paid off or if the debtor's job ends before the 90-day period is over, you need to do the last disclosure and withholdings within 10 days of their last payday that you withheld money.

Calculating Percentage of Disposable Earnings

Note to Creditor: You must fill out this chart before sending this form to the employer. Use the current minimum wage found online at: https://www.dli.mn.gov/minwage.

Minimum Wage = $MW/hour.

if the weekly gross earnings are:	then this percentage of the disposable earnings are withheld:
Less than [40 X MW]	0%
[40 X MW + .01] to [60 X MW]	10%
[60 X MW + .01] to [80 X MW]	15%
[80 X MW + .01] or more	25%

Employer: Use this creditor's calculation chart to know what percentage of earnings should be withheld.

Earnings Disclosure Worksheet

Debtor's Name

A Payday Date	B Gross Earnings	C Disposable Earnings
1.		
$2.		
3.		
4.		
5.		
6.		
7.		
~~8.~~		
~~9.~~		
~~10.~~		

Column A. Enter the debtor's payday.

Column B. Enter the debtor's gross earnings for each payday.

Column C. Enter the debtor's disposable earnings for each payday.

D ~~25 % of~~ withholding of Column C (Use the creditor's calculation chart)	E Greater of 40 X $~~9.50 or 40 X~~ MN or Fed. Min. Wage	F Column C minus Column E
1.		
2.		
3.		
4.		
5.		
6.		
7.		
~~8.~~		
~~9.~~		
~~10.~~		

Column D. Enter the percentage of disposable earnings that will be withheld. Get this number from the creditor's calculation chart.

Column E. Calculate 40 times the current Minnesota minimum wage (or 40 times the current federal minimum wage) times the number of work weeks in each payday. Enter the bigger number here. **Note:** If a payday has extra days that are more than a full work week, count those extra days as part of a work week. Do this by dividing the number of extra workdays by the number of workdays in a normal week.

Column F. Subtract the amount in column E from the amount in column C and enter here.

G Lesser of Column D and Column F	H Setoff, Lien, Adverse Interest, or Other Claims	I Column G minus Column H
1.		
2.		
3.		
4.		
5.		
6.		
7.		
~~8.~~		
~~9.~~		
~~10.~~		
		Total of Column I =

Column G. Look at column D and column F. Enter the smaller amount of the two here in column G.

Column H. Enter any amount claimed by you that would lower the amount of earnings that will go to the debtor. Things like:

(i) a setoff,

(ii) a defense,

(iii) a lien,

(iv) a claim, or

(v) any amount claimed by any other person as an exemption or adverse interest.

Note: You must describe your claim(s) and the claims of others, if known, in the spaces after this worksheet.

Enter zero in column H if there are no claims by you or others which would lower the amount of earnings owed to the debtor.

Note: Any debt that happened within 10 days before you got the first garnishment on a debt may not be set off against the earnings that are affected by this garnishment. Any wage assignment made by the debtor within 10 days before you got the first garnishment on a debt is void. Wage assignment is when a debtor voluntarily agrees to money being taken out of their earnings.

Column I. Subtract the amount in column H from the amount in column G and enter here. This is the amount of earnings that go to the creditor.

~~*~~ **If you entered any amount in Column H** for any ~~payday(s), you must~~ payday, describe those claims below ~~either~~. It doesn't matter if they are your claims, or the claims of others. For ~~amounts claimed~~ claims by others ~~you must both state~~, list the names and addresses of ~~these persons~~ each, and ~~the nature of~~ describe their ~~claim~~ claims, if ~~known~~ you know.

~~AFFIRMATION~~

Earnings Worksheet Affirmation

I, ... (person signing Affirmation), am the third ~~party~~ party/employer or I am authorized by the third ~~party~~ party/employer to complete this earnings disclosure ~~worksheet,~~ and have done so truthfully and to the best of my knowledge.

~~$Dated:~~
~~Signature~~
~~Title~~
~~Telephone Number (....)~~

Date:
Third Party's Name:
Third Party's Signature:
Phone: Fax:
Email:

EARNINGS DISCLOSURE FORM AND WORKSHEET

FOR CHILD SUPPORT DEBTOR

STATE OF MINNESOTA DISTRICT COURT
COUNTY OF JUDICIAL DISTRICT
(Creditor)
(Debtor) GARNISHMENT
(Garnishee) EARNINGS DISCLOSURE

DEFINITIONS

"EARNINGS": For the purpose of execution, "earnings" means compensation paid or payable to an employee for personal services or compensation paid or payable to the producer for the sale of agricultural products; milk or milk products; or fruit or other horticultural products produced when the producer is operating a family farm, a family farm corporation, or an authorized farm corporation, as defined in section 500.24, subdivision 2, whether denominated as wages, salary, commission, bonus, or otherwise, and includes periodic payments pursuant to a pension or retirement, workers' compensation, or unemployment benefits.

"DISPOSABLE EARNINGS": Means that part of the earnings of an individual remaining after the deduction from those earnings of amounts required by law to be withheld. (Amounts required by law to be withheld do not include items such as health insurance, charitable contributions, or other voluntary wage deductions.)

"PAYDAY": For the purpose of execution, "payday(s)" means the date(s) upon which the employer pays earnings to the debtor in the ordinary course of business. If the judgment debtor has no regular payday, payday(s) means the 15th and the last day of each month.

THE GARNISHEE MUST ANSWER THE FOLLOWING QUESTION:

(1) Do you now owe, or within 90 days from the date the execution levy was served on you, will you or may you owe money to the debtor for earnings?

Yes No

INSTRUCTIONS FOR COMPLETING THE
EARNINGS DISCLOSURE

A. If your answer to question 1 is "No," then you must sign the affirmation below and return this disclosure to the creditor's attorney (or the creditor if not represented by an attorney) within 20 days after it was served on you, and you do not need to answer the remaining questions.

B. If your answer to question 1 is "Yes," you must complete this form and the Earnings Disclosure Worksheet as follows:

For each payday that falls within 90 days from the date the garnishment summons was served on you, YOU MUST calculate the amount of earnings to be retained by completing steps 2 through 8 on page 2, and enter the amounts on the Earnings Disclosure Worksheet. UPON REQUEST, THE EMPLOYER MUST PROVIDE THE DEBTOR WITH INFORMATION AS TO HOW THE CALCULATIONS REQUIRED BY THIS DISCLOSURE WERE MADE.

Each payday, you must retain the amount of earnings listed in column G on the Earnings Disclosure Worksheet.

You must pay the attached earnings and return this earnings disclosure form and the Earnings Disclosure Worksheet to the creditor's attorney (or the creditor if not represented by an attorney) and deliver a copy to the debtor within ten days after the last payday that falls within the 90-day period. If the claim is wholly satisfied or if the debtor's employment ends before the expiration of the 90-day period, your disclosure should be made within ten days after the last payday for which earnings were attached.

For steps 2 through 8, "columns" refers to columns on the Earnings Disclosure Worksheet.

(2) COLUMN A. Enter the date of debtor's payday.

(3) COLUMN B. Enter debtor's gross earnings for each payday.

(4) COLUMN C. Enter debtor's disposable earnings for each payday.

(5) COLUMN D. Enter either 50, 55, 60, or 65 percent of disposable earnings, based on which of the following descriptions fits the child support judgment debtor:

(a) 50 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child and the judgment is 12 weeks old or less (12 weeks to be calculated to the beginning of the work week in which the execution levy is received);

(b) 55 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received);

(c) 60 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child and the judgment is 12 weeks old or less (12 weeks to be calculated to the beginning of the work week in which the execution levy is received); or

(d) 65 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received). (Multiply column C by .50, .55, .60, or .65, as appropriate.)

(6) COLUMN E. Enter here any amount claimed by you as a setoff, defense, lien, or claim, or any amount claimed by any other person as an exemption or adverse interest that would reduce the amount of earnings owing to the debtor. (Note: Any assignment of earnings made by the debtor to any party within ten days before the receipt of the first garnishment on a debt is void. Any indebtedness to you incurred by the debtor within the ten days before the receipt of the first garnishment on a debt may not be set off against amounts otherwise subject to the garnishment.)

You must also describe your claim(s) and the claims of others, if known, in the space provided below the worksheet and state the name(s) and address(es) of these persons.

Enter zero in column E if there are no claims by you or others that would reduce the amount of earnings owing to the judgment debtor.

(7) COLUMN F. Subtract the amount in column E from the amount in column D and enter here. This is the amount of earnings that you must remit for the payday for which the calculations were made.

AFFIRMATION

I, ... (person signing Affirmation), am the garnishee or I am authorized by the garnishee to complete this earnings disclosure, and have done so truthfully and to the best of my knowledge.

Dated:

Signature

Title

Telephone Number

EARNINGS DISCLOSURE WORKSHEET

Debtor's Name

A Payday Date	B Gross Earnings	C Disposable Earnings
1.		
$2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

D Either 50, 55, 60, or 65% of Column C	E Setoff, Lien, Adverse Interest, or Other Claims	F Column D minus Column E
1.		
2.		

3.
4.
5.
6.
7.
8.
9.
10.

TOTAL OF COLUMN F $

*If you entered any amount in column E for any payday(s), you must describe below either your claims, or the claims of others. For amounts claimed by others, you must both state the names and addresses of such persons, and the nature of their claim, if known.

AFFIRMATION

I, ... (person signing Affirmation), am the third party or I am authorized by the third party to complete this earnings disclosure worksheet, and have done so truthfully and to the best of my knowledge.

Signature
Dated: (....)
Title Phone Number

NONEARNINGS DISCLOSURE FORM

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~
~~COUNTY OF~~ ~~JUDICIAL DISTRICT~~
~~(Creditor)~~
~~against~~
~~(Debtor)~~ ~~NONEARNINGS DISCLOSURE~~
~~and~~
~~(Garnishee)~~

~~On the ..... day of ....., ..., the time of service of garnishment summons herein, there was due and owing the debtor from the garnishee the following:~~

State of Minnesota **District Court**
County of: Judicial District:
Court File Number:
Case Type:

Creditor's full name

Non-Earnings Disclosure
against **For Non-Child Support Judgments**
Debtor's full name

and
Third Party (bank, employer, or other)

This form is called a "Non-Earnings Disclosure" or "Disclosure." It is being sent to you because you might be holding property that belongs to the debtor, or you might owe money to the debtor.

You are the "third party" or "garnishee. " The "debtor" is the person who owes money. The debtor is also called the "judgment debtor." The "creditor" is the person the debtor owes money to. The creditor is also called the "judgment creditor." The debtor owes $..... to the creditor.

You must list any money or property you owe the debtor on the lines below and sign the affirmation. Write "none" on the line if that is your answer. You must then return this disclosure to the creditor (or the creditor's lawyer) within 20 days after you got it.

Fill in the date you got this disclosure:

(month) (day), (year)

On the date you got this disclosure, you owed the debtor:

(1) Money. ~~Enter on the line below any amounts due and owing the debtor, except earnings, from the garnishee~~ Write down the amount of money you owe the debtor (except earnings).

(2) Property. ~~Describe on the line below~~ Write a short description of any personal property, instruments, or papers belonging to the debtor ~~and in the possession of the garnishee~~ that you have in your possession. List the monetary value of each thing.

(3) Setoff. ~~Enter on the line below the amount of any~~ If you claim a setoff, defense, lien, or claim ~~which the garnishee claims~~ against the amount ~~set forth~~ on lines (1) and (2) above enter that amount on the line below. State the facts ~~by which the setoff, defense, lien, or~~ about your claim ~~is claimed~~. ~~(Any indebtedness to a garnishee incurred by the debtor within the ten days before the receipt of the first garnishment on a debt may not be set off against amounts otherwise subject to the garnishment.)~~ N**ote**: Any payment the debtor makes to the garnishee within the 10 days before they get the first garnishment order on that debt can't be used to lower the amount that is being garnished.

(4) Exemption. Enter ~~on the line below~~ any amounts or property ~~claimed by the debtor to be exempt from execution~~ that the debtor claims is exempt on the line below.

(5) Adverse Interest. Enter on the line below any amounts ~~claimed by other persons by reason of ownership or interest in the debtor's property~~ of the debtor's property that other people claim they own or have interest in.

(6) Enter ~~on~~ the ~~line below the~~ total of lines (3), (4), and (5) on the line below.

(7) Enter ~~on the line below~~ the difference obtained (never less than zero) when line (6) is subtracted from the sum of lines (1) and (2) on the line below.

(8) ~~Enter on the line below~~ Figure out 110 percent of the amount of the creditor's claim which ~~remains~~ is still unpaid. Enter it on the line below.

(9) ~~Enter on the line below the lesser of line~~ Look at (7) and ~~line~~ (8). ~~Retain~~ Put the smaller number on the line below. Hold this amount only if it is $10 or more.

AFFIRMATION

I, ... (person signing Affirmation), am the garnishee or I am authorized by the garnishee to complete this nonearnings garnishment disclosure~~, and~~. I have done so truthfully and to the best of my knowledge.

~~Dated:~~

~~Signature~~

~~Title~~

~~Telephone Number~~

Date:
Name:
Signature:
Title:
Phone: Email:

Sec. 16. Minnesota Statutes 2024, section 571.912, is amended to read:

571.912 FORM OF NOTICE, INSTRUCTIONS, AND EXEMPTION NOTICE.

Subdivision 1. **Form of notice.** The notice, instructions, and exemption notice informing a debtor that a garnishment summons has been used to attach funds of the debtor to satisfy a claim must be a separate notice and must be substantially in the following form:

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~
~~COUNTY OF~~ ~~JUDICIAL DISTRICT~~
~~(Creditor)~~
~~(Debtor)~~
~~(Financial institution)~~

State of Minnesota **District Court**
County of: Judicial District:
Court File Number:
Case Type:

Creditor's full name

Debtor's full name

Third Party (bank, employer, or other)

Important Notice
~~YOUR FUNDS HAVE BEEN GARNISHED~~
Money in Your Account Has Been Frozen

The Creditor has frozen money in your account at your ~~financial institution~~ bank.

Your account balance is $.....

The amount being held is $.....

The amount being held ~~will be~~ is frozen for 14 days from the date of this notice.

Some of your money in your account may be protected (the legal word is exempt). You may be able to get it sooner than 14 days if you act quickly and follow the instructions on the next page.

The attached exemption form lists some different ~~sources of~~ ways money in your account ~~that~~ may be protected. If your money ~~is~~ comes from ~~one or more of these sources, place~~ a benefit on the list, put a check on the line ~~on the form next to the sources of your money. If it is from one of these sources,~~ next to it. The creditor ~~cannot~~ can't take it.

BUT, if you want the bank to unfreeze your money, **you must follow the instructions and return the exemption form ~~and~~ with copies of your bank statements from the last 60 days** ~~to have the bank unfreeze your money~~. Instructions and the form are attached. If you ~~do not~~ don't follow the instructions ~~or your Creditor gets an order from the court or writ of execution,~~ your ~~financial institution will give~~ bank gives the money to your creditor. If your creditor gets an order from the court or writ of execution, your bank gives the money to them. If that happens and ~~it~~ your money is protected, you can still get it back from the creditor later~~,~~. But ~~that is not as easy to do as~~ filling ~~in~~ out the form now is easiest.

See next pages for instructions and the exemption form.

Subd. 2. **Form of instructions.** The instructions required must be in a separate form and must be substantially in the following form:

Instructions

Note: The creditor is who you owe the money to. You are the debtor.

1. Fill out **both** of the attached exemption forms in this packet.

If you check one of the lines, you should also give proof. Use proof that ~~shows~~ show that some or all of the money in your account is from one or more of the protected sources. This might be letters or account statements. Creditors may ask for a hearing if they question your exemptions.

To avoid a hearing:

(i) Case numbers should be added to the form.

(ii) Copies of documents should be sent with the form.

Notice: You must send ~~to the creditor's attorney (or to the creditor, if no attorney)~~ copies of your bank statements for the past 60 days before the garnishment. Send them to the creditor (or to the creditor's lawyer). Keep a copy of your bank statements in case there are questions about your claim. If you ~~do not~~ don't send bank statements to the ~~creditor's attorney (or to the creditor, if no attorney) bank statements~~ creditor (or to the creditor's lawyer) along with your exemption claim, the financial institution may ~~release~~ give your money to the creditor. They would do this once the creditor gives ~~the financial institution~~ them a court order ~~directing it~~ saying they have to turn over the funds.

2. **Sign** the exemption forms. **Make ~~one~~ a copy to keep for yourself.**

3. **Mail or deliver** the other copies of the form by (insert date).

Both Copies Must Be Mailed or Delivered the Same Day.

One copy of the form and the copies of your bank statements go to:

~~(Insert name of creditor or creditor's attorney)~~

~~(Insert address of creditor or creditor's attorney)~~

Creditor's Name:
(or creditor's lawyer's name)
Street Address:
City/State/Zip:
Phone: Fax:
Email:

One copy goes to:

~~(Insert name of bank)~~

~~(Insert address of bank)~~

Bank's Name:
Street Address:
City/State/Zip:
Phone: Fax:
Email:

How The Process Works

If You ~~Do Not~~ Don't Send in the Exemption Form and Bank Statements:

14 days after the date of this letter some or all of your money may be turned over to the creditor. This happens once they get an order from the court telling the ~~financial institution~~ bank to do this.

If You Do Send in the Exemption Form and Bank Statements:

Any money that is NOT protected can be turned over to the creditor once they get an order from the court.

If the Creditor Does Not Object to Your Claimed Exemptions:

The ~~financial institution will~~ bank should unfreeze your money ~~six~~ 6 business days after ~~the institution gets~~ they get your completed form. If they don't, ask the creditor or the creditor's lawyer to send a release letter to the bank.

If the Creditor Objects to Your Claimed Exemptions:

The money you ~~have~~ said is protected on the form ~~will be~~ is held by the bank. The creditor has ~~six~~ 6 business days to object (disagree) and ask the court to hold a hearing. You ~~will receive~~ get a Notice of Objection and a Notice of Hearing.

The ~~financial institution will hold~~ bank holds the money until a court decides ~~whether~~ if your money is protected or not. Some reasons a creditor may object are because you ~~did not~~ didn't send copies of your bank statements or other proof of the benefits you ~~received~~ got. Be sure to include these when you send your exemption form.

You may want to talk to a lawyer for advice about this process. If you are low income you can call Legal Aid statewide at 1(877) 696-6529.

~~**PENALTIES:**~~

Warnings and Fines

If you claim that your money is protected and a court decides you made that claim in bad faith, ~~the court~~ they can order you to pay costs, actual damages, ~~attorney~~ lawyer fees, and ~~an additional amount of~~ a fine up to $100. Bad faith is when someone does something wrong on purpose. For example, it may be bad faith if you claim you ~~receive~~ get government benefits ~~that you do not receive~~ and you don't.

If the creditor made a bad faith objection to your claim that your money is protected, the court can order them to pay costs, actual damages, ~~attorney~~ lawyer fees, and ~~an additional amount of~~ a fine up to $100.

Subd. 3. **Exemption notice.** The exemption notice must be a separate form and must be in substantially the following form:

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~
~~COUNTY OF~~ ~~JUDICIAL DISTRICT~~
~~(Creditor)~~
~~(Debtor)~~
~~(Financial institution)~~

State of Minnesota **District Court**
County of: Judicial District:
Court File Number:
Case Type:

Creditor's full name

Exemption Form

vs.
Debtor's full name

Bank's name

~~**EXEMPTION FORM**~~

A. **How Much Money is Protected (exempt)**
...I claim ALL of the money being frozen by the bank is protected.

...I claim SOME of the money is protected. The amount I claim is protected is $.....

B. **Why The Money is Protected**

My money is protected because I get it from one or more of the following places: **(Check all that apply)**

Earnings (Wages)

ALL or SOME of my wages may be protected.

... **Some of my wages are protected because they were only deposited in my account in the last 20 days.**

For wages that were deposited in your account within the last 20 days, the amount protected is whichever is more:

(i) 75% of your wages or more (after taxes are taken out), or

(ii) The current minimum wage times 40 per week. You can find the current minimum wage here: https://www.dli.mn.gov/minwage.

All of my wages are protected because:

...I get government benefits (a list of government benefits is on the next page)

...I am getting other assistance based on need

...I have gotten government benefits in the last 6 months

...I was in jail or prison in the last 6 months

If you check one of these 4 boxes, your wages are only protected for 60 days after they are deposited in your account. You **MUST send the creditor copies of bank statements that show what was in your account for the 60 days right before the bank froze your money.**

Government Benefits

Government benefits can include~~, but are not limited to, the following~~ many things. For example:

... **MFIP - Minnesota Family Investment Program~~,~~**

... **DWP - MFIP Diversionary Work Program~~,~~**

... **SNAP - Supplemental Nutrition Assistance Program**

~~**Work participation cash benefit,**~~

... **GA - General Assistance~~,~~**

~~**EA - emergency assistance,**~~

~~**MA - medical assistance,**~~

... **EGA - Emergency General Assistance~~,~~**

... **MSA - Minnesota Supplemental Aid~~,~~**

... **MSA-EA - MSA Emergency Assistance~~,~~**

... **EA - Emergency Assistance**

... **Energy or Fuel Assistance**

... **Work Participation Cash Benefit**

... **MA - Medical Assistance**

~~**Supplemental Nutrition Assistance Program (SNAP),**~~

~~**SSI - Supplemental Security Income,**~~

... **MinnesotaCare~~,~~**

... **Medicare Part B - Premium Payments~~,~~ help**

... **Medicare Part D - Extra ~~help,~~**

~~**Energy or fuel assistance.**~~

... **SSI - Supplemental Security Income**

... **Tax Credits - federal Earned Income Tax Credit (EITC), Minnesota Working Family Credit**

... **Renter's Refund (also called Renter's Property Tax Credit)**

~~**LIST SOURCE(S) OF FUNDING IN YOUR ACCOUNT**~~

~~**LIST THE CASE NUMBER AND COUNTY**~~

~~Case Number:~~

~~County:~~

Government benefits also include:
Social Security benefits
Unemployment benefits
Workers' compensation
Veterans benefits
If you receive any of these government benefits, include copies of any documents you have that show you receive Social Security, unemployment, workers' compensation, or veterans benefits.
Other assistance based on need

You may have assistance based on need from another source that is not on the list. If you do, check this box, and fill in the source of your money on the line below:

Source:

Include copies of any documents you have that show the source of this money.

EARNINGS

ALL or SOME of your earnings (wages) may also be protected.
All of your earnings (wages) are protected if:
You get government benefits (see list of government benefits)
You currently receive other assistance based on need
You have received government benefits in the last six months
You were in jail or prison in the last six months
If you check one of these lines, your wages are only protected for 60 days after they are deposited in your account so you MUST send the creditor a copy of BANK STATEMENTS that show what was in your account for the 60 days right before the bank froze your money.
Some of your earnings (wages) are protected.
If all of your earnings are not exempt, then some of your earnings are still protected for 20 days after they were deposited in your account. The amount protected is the larger amount of:
75 percent of your wages (after taxes are taken out); or
(insert the sum of the current federal minimum wage) multiplied by 40.
OTHER EXEMPT FUNDS
The money from the following are also completely protected after they are deposited in your account.
An accident, disability, or retirement pension or annuity
Payments to you from a life insurance policy
Earnings of your child who is under 18 years of age
Child support
Money paid to you from a claim for damage or destruction of property Property includes household goods, farm tools or machinery, tools for your job, business equipment, a mobile home, a car, a musical instrument, a pew or burial lot, clothes, furniture, or appliances.
Death benefits paid to you

List the case number and county for every box you checked:
Case Number: County:
Case Number: County:
Case Number: County:
Government benefits also include:
...Social Security benefits

...Unemployment benefits
...Workers' compensation
...Veterans' benefits

If you get any of these government benefits, include copies of any documents that show you get them.

...I get other assistance based on need that is not on the list. It comes from:

Make sure you include copies of any documents that show this.

C. Other Protected Funds

The money from these things are also completely protected after they are deposited in my account.

...Child Support

...A retirement, disability, or accident pension or annuity

...Earnings of my child who is under 18 years of age

...Payments to me from a life insurance policy

...Money paid to me from a claim for damage or destruction of property. Property includes household goods, farm tools or machinery, tools for my job, business equipment, a mobile home, a car, a musical instrument, a pew or burial lot, clothes, furniture, or appliances

...Death benefits paid to me

I give my permission to any agency that has given me ~~cash~~ benefits to give information about my benefits to the ~~above-named~~ creditor~~,~~ named above or ~~its attorney~~ to the creditor's lawyer. The information will **ONLY** ~~concern whether~~ be if I get ~~benefits or not, or whether I have gotten them~~ assistance, or if I have gotten assistance in the past ~~six~~ 6 months. If I was an inmate in the last 6 months, I give my permission to the correctional institution to tell the creditor named above or the creditor's lawyer that I was an inmate there.

~~If I was an inmate in the last six months, I give my permission to the correctional institution to tell the above-named creditor that I was an inmate there.~~

You must sign this form and send ~~THIS FORM~~ it back to the creditor's ~~ATTORNEY~~ lawyer (or to the creditor, if there is no ~~ATTORNEY~~ lawyer) and the bank. Remember to include a copy of your bank statements for the past 60 days. Fill in the blanks below and go back to the instructions to make sure you ~~do~~ did it correctly.

I ~~have~~ mailed or delivered a copy of this form to~~:~~ the creditor (or to the creditor's lawyer) at the address listed below.

~~(Insert name of creditor or creditor's attorney)~~

~~(Insert address of creditor or creditor's attorney)~~

Creditor's Signature:
(or creditor's lawyer's signature)
Creditor's Name:
(or creditor's lawyer's name)
Street Address:
City/State/Zip:
Phone: Fax:
Email:

I ~~have~~ also mailed or delivered a copy of this exemption form to my bank at the address listed ~~in the instructions.~~ below:

~~DATED:~~

~~DEBTOR~~

~~DEBTOR ADDRESS~~

~~DEBTOR TELEPHONE NUMBER~~

Bank's Name:
Street Address:
City/State/Zip:
Phone: Fax:
Email:

Date:
Debtor's Signature:
Debtor's Name:
Street Address:
City/State/Zip:
Phone:
Email:

Sec. 17. Minnesota Statutes 2024, section 571.914, subdivision 2, is amended to read:

Subd. 2. **Form of Notice of Objection and Notice of Hearing.** The Written Objection and Notice of Hearing must be in substantially the following form:

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~
~~COUNTY OF~~ ~~JUDICIAL DISTRICT~~
~~(Creditor)~~
~~(Debtor)~~ ~~CREDITOR'S NOTICE OF OBJECTION AND NOTICE OF HEARING ON~~
~~(Garnishee)~~ ~~EXEMPTION CLAIM~~

~~(CREDITOR OR CREDITOR'S ATTORNEY)~~

~~**NOTICE OF HEARING**~~
~~The creditor objects to your exemption claim. This hearing is to resolve your exemption claim.~~

~~Hearing Date:~~
~~Time:~~
~~Hearing Place:~~

State of Minnesota **District Court**
County of:
Judicial District:
Court File Number:
Case Type:

Creditor's full name

and
Debtor's full name

Creditor's Notice of Objection and Notice of Hearing on Exemption Claim

Third Party (bank, employer, or other)

Hearing Notice

The creditor objects to your exemption claim. This hearing is to decide if your exemption claim is valid.

The hearing will be at:
Place: Date: Time:

The creditor objects to your claim of exemption from garnishment for the following reason(s):

~~**(Note: Bring with you to the hearing all documents and materials supporting your exemption claim.** Failure to do so could delay the court's decision. **)**~~

~~If the creditor receives all documents and materials supporting your exemption claim before the hearing date, the creditor may agree with your claim and you can avoid a hearing.~~

~~Because a court hearing will be held on your claim that your funds are protected, your financial institution will retain the funds until it receives an order from the court.~~

Note: Bring all your documents and materials that support your exemption claim to the hearing. If you don't, the court's decision could be held up.

You can send your documents and materials to the creditor before the hearing. If they review them and agree with your claim, you can avoid a hearing.

Because there is a court hearing scheduled about your exemption claim, your bank will keep your funds until it gets an order from the court.

Date:
Creditor's Signature:
(or creditor's lawyer's signature)
Creditor's Name:
(or creditor's lawyer's name)
Street Address:
City/State/Zip:
Phone: Fax:
Email:

Sec. 18. Minnesota Statutes 2024, section 571.925, is amended to read:

571.925 FORM OF NOTICE.

The ten-day notice informing a debtor that a garnishment summons may be used to garnish the earnings of an individual must be substantially in the following form:

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~
~~COUNTY OF~~ ~~JUDICIAL DISTRICT~~
~~(Creditor)~~
~~against~~

~~GARNISHMENT EXEMPTION~~
~~(Debtor)~~ ~~NOTICE AND NOTICE OF~~
~~and~~ ~~INTENT TO GARNISH EARNINGS~~
~~(Garnishee)~~

~~PLEASE TAKE NOTICE that a garnishment summons or levy may be served upon your employer or other third parties, without any further court proceedings or notice to you, ten days or more from the date hereof. Some or all of your earnings are exempt from garnishment. If your earnings are garnished, your employer must show you how the amount that is garnished from your earnings was calculated. You have the right to request a hearing if you claim the garnishment is incorrect.~~

~~Your earnings are completely exempt from garnishment if you are now a recipient of assistance based on need, if you have been a recipient of assistance based on need within the last six months, or if you have been an inmate of a correctional institution in the last six months.~~

~~Assistance based on need includes, but is not limited to:~~

State of Minnesota **District Court**
County of: Judicial District:
Court File Number:
Case Type:

Creditor's full name

Garnishment Exemption Notice and

and **Notice of Intent to Garnish Earnings**
Debtor's full name

Third Party (bank, employer, or other)

Notice: A garnishment may be served on your employer or other third parties. **Garnishment means that part of your earnings can be taken to pay off debts that you owe.** This can happen in 10 days or more after you get this notice. This can happen without any other court action or notice to you. **But some of your money may be protected.**

Your earnings cannot be taken if:
(i) you are getting government assistance based on need,
(ii) you got any government assistance based on need in the last 6 months, or
(iii) you were an inmate of a correctional institution in the last 6 months.

These are called exemptions. Your money is NOT protected unless you fill out the Exemption Claim Notice attached and send it back to the creditor or the creditor's lawyer. If you are not sure if you have any exemptions, talk to a lawyer.

You can also contact the creditor or their lawyer to talk about a settlement of the debt.

Examples of government assistance based on need:

(i) **MFIP - Minnesota Family Investment Program~~,~~**
(ii) **DWP - MFIP Diversionary Work Program~~,~~**
(iii) **SNAP - Supplemental Nutrition Assistance Program**
~~Work participation cash benefit,~~
(iv) **GA - General Assistance~~,~~**
~~EA - emergency assistance,~~
~~MA - medical assistance,~~
(v) **EGA - Emergency General Assistance~~,~~**
(vi) **MSA - Minnesota Supplemental Aid~~,~~**
(vii) **MSA-EA - MSA Emergency Assistance~~,~~**
~~Supplemental Nutrition Assistance Program (SNAP),~~
~~SSI - Supplemental Security Income,~~
(viii) **EA - Emergency Assistance**
(ix) **Energy or Fuel Assistance**
(x) **Work Participation Cash Benefit**
(xi) **MA - Medical Assistance**
(xii) **MinnesotaCare~~,~~**
(xiii) **Medicare Part B - Premium Payments~~,~~ help**
(xiv) **Medicare Part D - Extra ~~help,~~**
~~Energy or fuel assistance.~~
(xv) **SSI - Supplemental Security Income**
(xvi) **Tax Credits - federal Earned Income Tax Credit (EITC), Minnesota Working Family Credit**
(xvii) **Renter's Refund (also called Renter's Property Tax Credit)**

~~If you wish to claim an exemption, you should fill out the appropriate form below, sign it, and send it to the creditor's attorney and the garnishee.~~

~~You may wish to contact the attorney for the creditor in order to arrange for a settlement of the debt or contact an attorney to advise you about exemptions or other rights.~~

~~PENALTIES~~

~~(1) Be advised that even if you claim an exemption, a garnishment summons may still be served on your employer. If your earnings are garnished after you claim an exemption, you may petition the court for a determination of your exemption. If the court finds that the creditor disregarded your claim of exemption in bad faith, you will be entitled to costs, reasonable attorney fees, actual damages, and an amount not to exceed $100.~~

~~(2) HOWEVER, BE WARNED if you claim an exemption, the creditor can also petition the court for a determination of your exemption, and if the court finds that you claimed an exemption in bad faith, you will be assessed costs and reasonable attorney's fees plus an amount not to exceed $100.~~

~~(3) If after receipt of this notice, you in bad faith take action to frustrate the garnishment, thus requiring the creditor to petition the court to resolve the problem, you will be liable to the creditor for costs and reasonable attorney's fees plus an amount not to exceed $100.~~

~~Dated:~~

~~(Attorney for) Creditor~~

~~Address~~

~~Telephone~~

Warnings and Fines

(1) Even if you claim an exemption, a levy may still be served on your employer. If they take money from you after you claim an exemption, you may ask the court to review your exemption. If the court finds that the creditor ignored your claim of exemption in bad faith, you are entitled to costs, reasonable lawyer fees, actual damages, and a fine up to $100. Bad faith is when someone does something wrong on purpose.

(2) BUT if you claim an exemption, the creditor can also ask the court to review your exemption. If the court finds that you claimed an exemption in bad faith, you are charged costs and reasonable lawyer fees, and a fine up to $100.

(3) If you get this notice, then do something in bad faith to try to block or stop the levy and the creditor has to take you to court because of it, you will have to pay the creditor's costs, and reasonable lawyer's fees, and a fine up to $100.

Date:
Creditor's Signature:
(or creditor's lawyer's signature)
Creditor's Name:
(or creditor's lawyer's name)
Street Address:
City/State/Zip:
Phone: Fax:
Email:

DEBTOR'S EXEMPTION CLAIM NOTICE

State of Minnesota **District Court**
County of:

Judicial District:
Court File Number:
Case Type:

Creditor's full name

and
Debtor's full name

and
Third Party (bank, employer, or other)

Debtor's Exemption Claim Notice

I ~~hereby~~ claim that my earnings are exempt from this garnishment because: (check all that apply)

~~(1) I am presently a recipient of relief based on need. (Specify the program, case number, and the county from which relief is being received.)~~

~~Program~~ ~~Case Number (if known)~~ ~~County~~

~~(2) I am not now receiving relief based on need, but I have received relief based on need within the last six months. (Specify the program, case number, and the county from which relief has been received.)~~

~~Program~~ ~~Case Number (if known)~~ ~~County~~

~~(3) I have been an inmate of a correctional institution within the last six months. (Specify the correctional institution and location.)~~

~~Correctional Institution~~ ~~Location~~

~~I hereby authorize any agency that has distributed relief to me or any correctional institution in which I was an inmate to disclose to the above named creditor or the creditor's attorney only whether or not I am or have been a recipient of relief based on need or an inmate of a correctional institution within the last six months. I have mailed or delivered a copy of this form to the creditor or creditor's attorney.~~

~~Date~~

~~Debtor~~

~~Address~~

~~Debtor Telephone Number~~

~~STATE OF MINNESOTA~~ ~~DISTRICT COURT~~
~~COUNTY OF~~ ~~JUDICIAL DISTRICT~~
~~(Creditor)~~
~~(Debtor)~~
~~(Financial institution)~~

...I am getting government assistance based on need. (State the program, case number if you know it, and the county you got it from.)

Program:	Case #:	County:
Program:	Case #:	County:
Program:	Case #:	County:

...I am not getting assistance based on need right now, but I did get government assistance based on need within the last 6 months. (State the program, case number if you know it, and the county you got it from.)

Program:	Case #:	County:
Program:	Case #:	County:
Program:	Case #:	County:

...I was an inmate of a correctional institution within the last 6 months. (State the correctional institution and location.)

Correctional Institution Location

I give my permission to any agency listed above to give information about my benefits to the creditor named above, or to the creditor's lawyer. The information will **ONLY** be if I get assistance, or if I have gotten assistance in the past 6 months. If I was an inmate in the last 6 months, I give my permission to the correctional institution to tell the creditor named above or the creditor's lawyer that I was an inmate there.

Sign and send this form back to the creditor or the creditor's lawyer.

Fill in the blanks below.

I mailed or delivered a copy of this form to the creditor or to the creditor's lawyer if they have one, at the address listed below.

Date:
Creditor's Signature:
(or creditor's lawyer's signature)
Creditor's Name:
(or creditor's lawyer's name)
Street Address:
City/State/Zip:
Phone: Fax:
Email:

Date:
Debtor's Signature:
Debtor's Name:
Street Address:
City/State/Zip:
Phone:
Email:

Sec. 19. Minnesota Statutes 2024, section 571.931, subdivision 6, is amended to read:

Subd. 6. **Notice.** The debtor shall be served with a copy of the prejudgment garnishment order issued pursuant to this section together with a copy of all pleadings and other documents not previously served, including any affidavits upon which the claimant intends to rely at the subsequent hearing and a transcript of any oral testimony given at the prejudgment garnishment hearing upon which the creditor intends to rely and a notice of hearing. Service must be in the manner prescribed for personal service of a summons unless that service is impracticable or would be ineffective and the court prescribes an alternative method of service calculated to provide actual notice to the debtor.

The notice of hearing served upon the debtor must be signed by the creditor or the attorney for the creditor and must be accompanied by an exemption notice. The notice of hearing must be accompanied by an exemption notice, and both notices must provide, at a minimum, the following information in substantially the following language:

~~NOTICE OF HEARING~~
Hearing Notice

TO:

~~(the debtor)~~ (debtor's full name)

The (insert the name of court) Court has ordered the prejudgment garnishment of some of your property ~~in the possession or control of a third party~~. This is about property that a third party has or controls. Some of your property may be exempt ~~from seizure~~ and can't be taken. See the exemption notice below.

The Court issued this Order ~~based upon the claim of~~ because (insert name of creditor) ~~that (insert name of creditor) is~~ claims they are entitled to ~~a court order for garnishment~~ take some of your property ~~to secure your payment of any money judgment that (insert name of creditor) may later be obtained against you and that immediate action was necessary~~. They do this to make sure you pay any money they might win in a future case against you. They felt immediate action was needed.

You have the legal right to challenge (insert name of creditor) claims at a court hearing before a judge.

The hearing will be
at:
Place: Date: Time:

~~The hearing will be held at the (insert place) on (insert date) at (insert time).~~ You ~~may attend~~ can go to the court hearing alone or with ~~an attorney~~ a lawyer. ~~After you have presented your side of the matter, the court will decide~~ You get to tell the court your side of the issue. Then the court decides what should be done with your property until the lawsuit against you is finally decided.

If you ~~do not attend~~ don't go to this hearing, the court may order garnishment of your property.

Exemption Notice

Some of your property may be exempt and ~~cannot be garnished~~ can't be taken. 'Exempt' means protected. The following is a list of some ~~of the more~~ common exemptions. It is not a complete ~~and is subject to~~ list. For full details and dollar amounts set by law see section 550.37~~, and other state and federal laws~~ of the Minnesota Statutes. If you have questions about an exemption, ~~you should obtain competent~~ contact a lawyer for legal advice.

These things you or your family might have are protected:

(1) ~~a homestead or the proceeds from the sale of a homestead.~~ equity in your home, or money from recently selling your home - up to $510,000 total;

(2) (i) all clothing, one watch, utensils, and foodstuffs;

(ii) household furniture, household appliances, ~~phonographs,~~ radios, ~~and~~ computers, tablets, televisions ~~up to a total current value of $4,500 at the time of attachment.~~, printers, cell phones, smart phones, and other consumer electronics up to $12,150 in all; and

(iii) jewelry - total value can't be more than $3,308;

(3) a manufactured (mobile) home ~~used as your home.~~ you live in;

(4) one motor vehicle ~~currently worth less than $2,000 after deducting any security interest.~~, counting only the amount you have paid off:

(i) $10,000;

(ii) $12,500 if it is necessary for your business, trade, or profession;

(iii) $25,000 if used by or to help someone with a disability that makes it hard to walk; or

(iv) $100,000 if designed or modified for someone with a disability that makes it hard to walk;

(5) farm machinery ~~used by someone principally engaged in farming, or~~ if your main business is farming. Tools, machines, or office furniture used in your business ~~or trade. This exemption is limited to $10,000.~~ - the total value can't be more than $13,000;

(6) relief based on need. This includes ~~the~~:

(i) **MFIP** - Minnesota Family Investment Program ~~(MFIP), Emergency Assistance (EA), Work First Program, Medical Assistance (MA),~~;

(ii) **DWP** - MFIP Diversionary Work Program;

(iii) **SNAP** - Supplemental Nutrition Assistance Program;

(iv) **GA** - General Assistance ~~(GA),~~;

(v) **EGA** - Emergency General Assistance ~~(EGA),~~;

(vi) **MSA** - Minnesota Supplemental Aid ~~(MSA),~~;

(vii) **MSA-EA** - MSA Emergency Assistance ~~(MSA EA), Supplemental Security Income (SSI), and Energy Assistance.~~;

(viii) **EA** - Emergency Assistance;

(ix) **Energy or Fuel Assistance**;

(x) **Work Participation Cash Benefit**;

(xi) **MA** - Medical Assistance;

(xii) **MinnesotaCare**;

(xiii) **Medicare Part B** - Premium Payments help;

(xiv) **Medicare Part D** - Extra;

(xv) **SSI** - Supplemental Security Income;

(xvi) **Tax Credits** - federal Earned Income Tax Credit (EITC), Minnesota Working Family Credit; and

(xvii) **Renter's Refund** (also called Renter's Property Tax Credit);

(7) wages. 100% is protected if you get government assistance based on need. Otherwise, between 75-100% is protected depending on how much you earn;

(8) retirement benefits - the total interest under all plans and contracts can't be more than $81,000;

~~(7)~~ (9) Social Security benefits~~.~~;

~~(8)~~ (10) unemployment benefits, workers' compensation, or veterans' benefits~~.~~;

~~(9) An accident, disability or retirement~~ (11) a retirement, disability, or accident pension or annuity~~.~~;

~~(10)~~ (12) life insurance proceeds~~.~~ that are not more than $54,000;

~~(11) The~~ (13) earnings of your minor child~~.~~;

~~(12)~~ (14) money from a claim for damage or destruction of exempt property ~~(such as~~ - like household goods, farm tools, business equipment, a manufactured (mobile) home, or a ~~car).~~ car;

(15) sacred possessions - like the Bible, Torah, Qur'an, prayer rug, and other religious items. Total value can't be more than $2,000;

(16) personal library - total value can't be more than $750;

(17) musical instruments - total value can't be more than $2,000;

(18) family pets - current value can't be more than $1,000;

(19) a seat or pew in any house or place of public worship and a lot in any burial ground;

(20) tools you need to work in your business or profession - the total value can't be more than $13,500;

(21) household tools and equipment - things like hand and power tools, snow removal equipment, lawnmowers, and more. Total value can't be more than $3,000; and

(22) health savings accounts, medical savings accounts - the total value can't be more than $25,000.

Sec. 20. Minnesota Statutes 2024, section 571.932, subdivision 2, is amended to read:

Subd. 2. **Service.** The creditor's motion to obtain an order of garnishment together with the creditor's affidavit and notice of hearing must be served in the manner prescribed for service of a summons in a civil action in district court unless that service is impracticable or would be ineffective and the court prescribes an alternative method of service calculated to provide actual notice to the debtor. If the debtor has already appeared in the action, the motion must be served in the manner prescribed for service of pleadings subsequent to the summons. The date of the hearing must be fixed in accordance with rule 6 of the Minnesota Rules of Civil Procedure for the District Courts, unless a different date is fixed by order of the court.

The notice of hearing served upon the debtor shall be signed by the creditor or the attorney for the creditor and shall provide, at a minimum, the following information in substantially the following language:

~~NOTICE OF HEARING~~

Hearing Notice

TO:

~~(the debtor)~~ (debtor's full name)

~~A hearing will be held (insert place) on (insert date) at (insert time) to determine whether nonexempt property belonging to you will be garnished to secure a judgment that may be entered against you.~~

There will be a hearing to decide if your nonexempt property will be garnished to help pay a judgment that may be entered against you.

The hearing will be
at:
Place: Date: Time:

You ~~may attend~~ can go to the court hearing alone or with ~~an attorney~~ a lawyer. ~~After you have presented your side of the matter, the court will decide whether~~ You get to tell the court your side of the issue. Then the court decides if your property should be garnished until the lawsuit ~~which has been commenced~~ against you is finally decided.

If the court ~~directs the issuance of~~ issues a garnishment summons ~~while~~ during the lawsuit ~~is pending~~, you ~~may still~~ can keep the property until the lawsuit is decided if you file a bond ~~in an amount~~. The amount of the bond is set by the court.

If you ~~DO NOT ATTEND THIS~~ don't go to this hearing, the court may order garnishment of your nonexempt property ~~TO BE GARNISHED~~.

Exemption Notice

Some of your property may be exempt and ~~cannot~~ can't be ~~garnished~~ taken. 'Exempt' means protected. The following is a list of some ~~of the more~~ common exemptions. It is not a complete ~~and is subject to~~ list. For full details and dollar amounts set by law see section 550.37~~, and other state and federal laws~~ of the Minnesota Statutes. ~~The dollar amounts contained in this list are subject to the provisions of section 550.37, subdivision 4a, at the time of the garnishment.~~ If you have questions about an exemption, ~~you should obtain competent~~ contact a lawyer for legal advice.

These things you or your family might have are protected:

(1) ~~A homestead or the proceeds from the sale of a homestead.~~ equity in your home, or money from recently selling your home - up to $510,000 total;

(2) (i) all clothing, one watch, utensils, and foodstuffs;

(ii) household furniture, household appliances, ~~phonographs,~~ radios, ~~and~~ computers, tablets, televisions ~~up to a total current value of $5,850.~~, printers, cell phones, smart phones, and other consumer electronics up to $12,150 in all; and

(iii) jewelry - total value can't be more than $3,308;

(3) a manufactured (mobile) home ~~used as your home.~~ you live in;

(4) one motor vehicle ~~currently worth less than $2,600 after deducting any security interests.~~, counting only the amount you have paid off:

(i) $10,000;

(ii) $12,500 if it is necessary for your business, trade, or profession;

(iii) $25,000 if used by or to help someone with a disability that makes it hard to walk; or

(iv) $100,000 if designed or modified for someone with a disability that makes it hard to walk;

(5) farm machinery ~~used by an individual principally engaged in farming, or~~ if your main business is farming. Tools, machines, or office furniture used in your business ~~or trade. This exemption is limited to~~ - the total value can't be more than $13,000~~.~~;

(6) relief based on need. This includes ~~the~~:

(i) **MFIP** - Minnesota Family Investment Program ~~(MFIP), Emergency Assistance (EA), Work First Program, Medical Assistance (MA),~~;

(ii) **DWP** - MFIP Diversionary Work Program;

(iii) **SNAP** - Supplemental Nutrition Assistance Program;

(iv) **GA** - General Assistance ~~(GA),~~;

(v) **EGA** - Emergency General Assistance ~~(EGA),~~;

(vi) **MSA** - Minnesota Supplemental Aid ~~(MSA),~~;

(vii) **MSA-EA** - MSA Emergency Assistance ~~(MSA EA), Supplemental Security Income (SSI), and Energy Assistance.~~;

(viii) **EA** - Emergency Assistance;

(ix) **Energy or Fuel Assistance**;

(x) **Work Participation Cash Benefit**;

(xi) **MA** - Medical Assistance;

(xii) **MinnesotaCare**;

(xiii) **Medicare Part B** - Premium Payments help;

(xiv) **Medicare Part D** - Extra;

(xv) **SSI** - Supplemental Security Income;

(xvi) **Tax Credits** - federal Earned Income Tax Credit (EITC), Minnesota Working Family Credit; and

(xvii) **Renter's Refund** (also called Renter's Property Tax Credit);

(7) wages. 100% is protected if you get government assistance based on need. Otherwise, between 75-100% is protected depending on how much you earn;

(8) retirement benefits - the total interest under all plans and contracts can't be more than $81,000;

~~(7)~~ (9) Social Security benefits~~.~~;

~~(8)~~ (10) unemployment benefits, workers' compensation, or veterans' benefits~~.~~;

~~(9) An accident, disability or retirement~~ (11) a retirement, disability, or accident pension or annuity~~.~~;

~~(10)~~ (12) life insurance proceeds~~.~~ that are not more than $54,000;

~~(11) The~~ (13) earnings of your minor child~~.~~;

~~(12)~~ (14) money from a claim for damage or destruction of exempt property ~~(such as~~ - like household goods, farm tools, business equipment, a manufactured (mobile) home, or a ~~car).~~ car;

(15) sacred possessions - like the Bible, Torah, Qur'an, prayer rug, and other religious items. Total value can't be more than $2,000;

(16) personal library - total value can't be more than $750;

(17) musical instruments - total value can't be more than $2,000;

(18) family pets - current value can't be more than $1,000;

(19) a seat or pew in any house or place of public worship and a lot in any burial ground;

(20) tools you need to work in your business or profession - the total value can't be more than $13,500;

(21) household tools and equipment - things like hand and power tools, snow removal equipment, lawnmowers, and more. Total value can't be more than $3,000; and

(22) health savings accounts, medical savings accounts - the total value can't be more than $25,000.

Sec. 21. Laws 2024, chapter 114, article 3, section 101, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~April~~ June 1, 2025, and applies to causes of action commenced on or after that date.

EFFECTIVE DATE. This section is effective retroactively from March 1, 2025.

Sec. 22. **CONSTRUCTION AND APPLICATION.**

The forms in sections 1 to 20 must be made available on the state court website on or before June 1, 2025. The failure to use the forms as amended by sections 1 to 20 before June 1, 2025, is not a basis for a complaint or violation of a federal statute, Minnesota Statutes, or the Minnesota Rules of Professional Conduct.

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

Sec. 23. **EFFECTIVE DATE.**

Sections 1 to 20 are effective June 1, 2025.

ARTICLE 8

MISCELLANEOUS COMMERCE PROVISIONS

Section 1. Minnesota Statutes 2024, section 41A.09, subdivision 2a, is amended to read:

Subd. 2a. **Definitions.** For the purposes of this section, the terms defined in this subdivision have the meanings given them.

(a) "Ethanol" means fermentation ethyl alcohol derived from agricultural products, including potatoes, cereal grains, cheese whey, and sugar beets; forest products; or other renewable resources, including residue and waste generated from the production, processing, and marketing of agricultural products, forest products, and other renewable resources, that:

(1) meets all of the specifications in ASTM specification ~~D4806-04a~~ D4806-21a; and

(2) is denatured as specified in Code of Federal Regulations, title 27, parts 20 and 21.

(b) "Ethanol plant" means a plant at which ethanol is produced.

(c) "Commissioner" means the commissioner of agriculture.

(d) "Rural economic infrastructure" means the development of activities that will enhance the value of agricultural crop or livestock commodities or by-products or waste from farming operations through new and improved value-added conversion processes and technologies, the development of more timely and efficient infrastructure delivery systems, and the enhancement of marketing opportunities. "Rural economic infrastructure" also means land, buildings, structures, fixtures, and improvements located or to be located in Minnesota and used or operated primarily for the processing or the support of production of marketable products from agricultural commodities or wind energy produced in Minnesota.

Sec. 2. Minnesota Statutes 2024, section 45.027, subdivision 1, is amended to read:

Subdivision 1. **General powers.** (a) In connection with the duties and responsibilities entrusted to the commissioner, and Laws 1993, chapter 361, section 2, the commissioner of commerce may:

(1) make public or private investigations within or without this state as the commissioner considers necessary to determine whether any person has violated or is about to violate any law, rule, or order related to the duties and responsibilities entrusted to the commissioner;

(2) require or permit any person to file a statement in writing, under oath or otherwise as the commissioner determines, as to all the facts and circumstances concerning the matter being investigated;

(3) hold hearings, upon reasonable notice, in respect to any matter arising out of the duties and responsibilities entrusted to the commissioner;

(4) conduct investigations and hold hearings for the purpose of compiling information related to the duties and responsibilities entrusted to the commissioner;

(5) examine the books, accounts, records, and files of every licensee, and of every person who is engaged in any activity regulated; the commissioner or a designated representative shall have free access during normal business hours to the offices and places of business of the person, and to all books, accounts, papers, records, files, safes, and vaults maintained in the place of business;

(6) publish information which is contained in any order issued by the commissioner;

(7) require any person subject to duties and responsibilities entrusted to the commissioner, to report all sales or transactions that are regulated. The reports must be made within ten days after the commissioner has ordered the report. The report is accessible only to the respondent and other governmental agencies unless otherwise ordered by a court of competent jurisdiction; ~~and~~

(8) assess a natural person or entity subject to the jurisdiction of the commissioner the necessary expenses of the investigation performed by the department when an investigation is made by order of the commissioner. The cost of the investigation shall be determined by the commissioner and is based on the salary cost of investigators or assistants and at an average rate per day or fraction thereof so as to provide for the total cost of the investigation. All money collected must be deposited into the general fund. A natural person or entity licensed under chapter 60K, 82, or 82B shall not be charged costs of an investigation if the investigation results in no finding of a violation. This clause does not apply to a natural person or entity already subject to the assessment provisions of sections 60A.03 and 60A.031~~.~~; and

(9) issue data calls.

(b) For purposes of this section, "data call" means a written request from the commissioner to two or more natural persons or entities subject to the commissioner's jurisdiction to provide data or other information within a reasonable time period commensurate with the volume and nature of the data required to be collected in the data call for a specific, targeted regulatory oversight purpose. A data call is not market analysis, as defined under section 60A.031, subdivision 4, paragraph (f), and is not subject to section 60A.033.

Sec. 3. Minnesota Statutes 2024, section 45.027, is amended by adding a subdivision to read:

Subd. 1b. **Data calls.** (a) Information provided in response to a data call issued by the commissioner: (1) must be treated as nonpublic data, as defined under section 13.02, subdivision 9; and (2) is not subject to subpoena. If the commissioner performs a data call, the commissioner may make the results available for public inspection in an

aggregated format and in such a manner as to not disclose the identity of a specific natural person or entity, including the name of any natural person or entity who responded to the data call. Prior to making the aggregated results of a data call available for public inspection, the commissioner must provide all natural persons and entities that responded to the data call 15 days' notice of the information to be publicly released. Nothing in this subdivision requires the commissioner to publicly release aggregated results from a data call. The results of a data call that requests data for the National Association of Insurance Commissioners' Market Conduct Annual Statement is subject to confidential treatment as provided under section 60A.031, subdivision 4, paragraph (f).

(b) The commissioner may grant access to data submitted by insurers in response to a data call issued by the commissioner with other state, federal, and international regulatory agencies; with the National Association of Insurance Commissioners and its affiliates and subsidiaries; and with state, federal, and international law enforcement authorities, provided that the recipient agrees in writing to maintain the data as nonpublic data and has the legal authority to maintain the data as nonpublic data.

Sec. 4. Minnesota Statutes 2024, section 45.027, subdivision 2, is amended to read:

Subd. 2. **Power to compel production of evidence.** For the purpose of any investigation, hearing, proceeding, or inquiry related to the duties and responsibilities entrusted to the commissioner, the commissioner or a designated representative may issue data calls, administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of books, papers, correspondence, memoranda, agreements, or other documents or records that the commissioner considers relevant or material to the inquiry.

A subpoena issued pursuant to this subdivision must state that the person to whom the subpoena is directed may not disclose the fact that the subpoena was issued or the fact that the requested records have been given to law enforcement personnel except:

(1) insofar as the disclosure is necessary to find and disclose the records; or

(2) pursuant to court order.

Sec. 5. Minnesota Statutes 2024, section 45.24, is amended to read:

45.24 LICENSE TECHNOLOGY FEES.

(a) The commissioner may establish and maintain an electronic licensing database system for license origination, renewal, and tracking the completion of continuing education requirements by individual licensees who have continuing education requirements, and other related purposes.

(b) The commissioner shall pay for the cost of operating and maintaining the electronic database system described in paragraph (a) through a technology surcharge imposed upon the fee for license origination and renewal, for individual licenses that require continuing education.

(c) The surcharge permitted under paragraph (b) shall be up to $40 for each two-year licensing period, except as otherwise provided in paragraph (f), and shall be payable at the time of license origination and renewal.

(d) The Commerce Department technology account is hereby created as an account in the special revenue fund.

(e) The commissioner shall deposit the surcharge permitted under this section in the account created in paragraph (d), and funds in the account are appropriated to the commissioner in the amounts needed for purposes of this section. The commissioner of management and budget shall transfer an amount determined by the commissioner of commerce from the account to the statewide electronic licensing system account under section 16E.22 for the costs of the statewide licensing system attributable to the inclusion of licenses subject to this section.

(f) The commissioner ~~shall~~ may temporarily reduce or suspend the surcharge as necessary if the balance in the account created in paragraph (d) exceeds $2,000,000 as of the end of June in any calendar year and ~~shall~~ must annually review the anticipated costs under paragraph (b) to determine the amount to increase or decrease the surcharge ~~as necessary~~ to keep the fund balance at an adequate level but not in excess of $2,000,000.

Sec. 6. Minnesota Statutes 2024, section 80A.66, is amended to read:

80A.66 SECTION 411; POSTREGISTRATION REQUIREMENTS.

(a) **Financial requirements.** Subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S. C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15 U.S. C. Section 80b-22), a rule adopted or order issued under this chapter may establish minimum financial requirements for broker-dealers registered or required to be registered under this chapter and investment advisers registered or required to be registered under this chapter.

(b) **Financial reports.** Subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S. C. Section 78o(h)) or Section 222(b) of the Investment Advisers Act of 1940 (15 U.S. C. Section 80b-22), a broker-dealer registered or required to be registered under this chapter and an investment adviser registered or required to be registered under this chapter shall file such financial reports as are required by a rule adopted or order issued under this chapter. If the information contained in a record filed under this subsection is or becomes inaccurate or incomplete in a material respect, the registrant shall promptly file a correcting amendment.

(c) **Record keeping.** Subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S. C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15 U.S. C. Section 80b-22):

(1) a broker-dealer registered or required to be registered under this chapter and an investment adviser registered or required to be registered under this chapter shall make and maintain the accounts, correspondence, memoranda, papers, books, and other records required by rule adopted or order issued under this chapter;

(2) broker-dealer records required to be maintained under paragraph (1) may be maintained in any form of data storage acceptable under Section 17(a) of the Securities Exchange Act of 1934 (15 U.S. C. Section 78q(a)) if they are readily accessible to the administrator; and

(3) investment adviser records required to be maintained under paragraph (d)(1) may be maintained in any form of data storage required by rule adopted or order issued under this chapter.

(d) **Records and reports of private funds.**

(1) **In general.** An investment adviser to a private fund shall maintain such records of, and file with the administrator such reports and amendments thereto, that an exempt reporting adviser is required to file with the Securities and Exchange Commission pursuant to SEC Rule 204-4, Code of Federal Regulations, title 17, section 275.204-4.

(2) **Treatment of records.** The records and reports of any private fund to which an investment adviser provides investment advice shall be deemed to be the records and reports of the investment adviser.

(3) **Required information.** The records and reports required to be maintained by an investment adviser, which are subject to inspection by a representative of the administrator at any time, shall include for each private fund advised by the investment adviser, a description of:

(A) the amount of assets under management;

(B) the use of leverage, including off-balance-sheet leverage, as to the assets under management;

(C) counterparty credit risk exposure;

(D) trading and investment positions;

(E) valuation policies and practices of the fund;

(F) types of assets held;

(G) side arrangements or side letters, whereby certain investors in a fund obtain more favorable rights or entitlements than other investors;

(H) trading practices; and

(I) such other information as the administrator determines is necessary and appropriate in the public interest and for the protection of investors, which may include the establishment of different reporting requirements for different classes of fund advisers, based on the type or size of the private fund being advised.

(4) **Filing of records.** A rule or order under this chapter may require each investment adviser to a private fund to file reports containing such information as the administrator deems necessary and appropriate in the public interest and for the protection of investors.

(e) **Audits or inspections.** The records of a broker-dealer registered or required to be registered under this chapter and of an investment adviser registered or required to be registered under this chapter, including the records of a private fund described in paragraph (d) and the records of investment advisers to private funds, are subject to such reasonable periodic, special, or other audits or inspections by a representative of the administrator, within or without this state, as the administrator considers necessary or appropriate in the public interest and for the protection of investors. An audit or inspection may be made at any time and without prior notice. The administrator may copy, and remove for audit or inspection copies of, all records the administrator reasonably considers necessary or appropriate to conduct the audit or inspection. The administrator may assess a reasonable charge for conducting an audit or inspection under this subsection.

(f) **Custody and discretionary authority bond or insurance.** Subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S. C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15 U.S. C. Section 80b-22), a rule adopted or order issued under this chapter may require a broker-dealer or investment adviser that has custody of or discretionary authority over funds or securities of a customer or client to obtain insurance or post a bond or other satisfactory form of security in an amount of at least $25,000, but not to exceed $100,000. The administrator may determine the requirements of the insurance, bond, or other satisfactory form of security. Insurance or a bond or other satisfactory form of security may not be required of a broker-dealer registered under this chapter whose net capital exceeds, or of an investment adviser registered under this chapter whose minimum financial requirements exceed, the amounts required by rule or order under this chapter. The insurance, bond, or other satisfactory form of security must permit an action by a person to enforce any liability on the insurance, bond, or other satisfactory form of security if instituted within the time limitations in section 80A.76(j)(2).

(g) **Requirements for custody.** Subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S. C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15 U.S. C. Section 80b-22), an agent may not have custody of funds or securities of a customer except under the supervision of a broker-dealer and an investment adviser representative may not have custody of funds or securities of a client except under the

supervision of an investment adviser or a federal covered investment adviser. A rule adopted or order issued under this chapter may prohibit, limit, or impose conditions on a broker-dealer regarding custody of funds or securities of a customer and on an investment adviser regarding custody of securities or funds of a client.

(h) **Investment adviser brochure rule.** With respect to an investment adviser registered or required to be registered under this chapter, a rule adopted or order issued under this chapter may require that information or other record be furnished or disseminated to clients or prospective clients in this state as necessary or appropriate in the public interest and for the protection of investors and advisory clients.

(i) **Continuing education.** A rule adopted or order issued under this chapter may require an individual registered under section 80A.57 or 80A.58 to participate in a continuing education program approved by the Securities and Exchange Commission and administered by a self-regulatory organization, the North American Securities Administrators Association, or the commissioner.

Sec. 7. Minnesota Statutes 2024, section 80E.12, is amended to read:

80E.12 UNLAWFUL ACTS BY MANUFACTURERS, DISTRIBUTORS, OR FACTORY BRANCHES.

It shall be unlawful for any manufacturer, distributor, or factory branch to require a new motor vehicle dealer to do any of the following:

(a) order or accept delivery of any new motor vehicle, part or accessory thereof, equipment, or any other commodity not required by law which has not been voluntarily ordered by the new motor vehicle dealer, provided that this paragraph does not modify or supersede reasonable provisions of the franchise requiring the dealer to market a representative line of the new motor vehicles the manufacturer or distributor is publicly advertising;

(b) order or accept delivery of any new motor vehicle, part or accessory thereof, equipment, or any other commodity not required by law in order for the dealer to obtain delivery of any other motor vehicle ordered by the dealer;

(c) order or accept delivery of any new motor vehicle with special features, accessories, or equipment not included in the list price of the motor vehicles as publicly advertised by the manufacturer or distributor;

(d) participate monetarily in an advertising campaign or contest, or to purchase any promotional materials, showroom, or other display decorations or materials at the expense of the new motor vehicle dealer;

(e) enter into any agreement with the manufacturer or to do any other act prejudicial to the new motor vehicle dealer by threatening to cancel a franchise or any contractual agreement existing between the dealer and the manufacturer. Notice in good faith to any dealer of the dealer's violation of any terms of the franchise agreement shall not constitute a violation of sections 80E.01 to 80E.17;

(f) change the capital structure of the new motor vehicle dealer or the means by or through which the dealer finances the operation of the dealership; provided, that the new motor vehicle dealer at all times meets any reasonable capital standards agreed to by the dealer; and also provided, that no change in the capital structure shall cause a change in the principal management or have the effect of a sale of the franchise without the consent of the manufacturer or distributor as provided in section 80E.13, paragraph (j);

(g) prevent or attempt to prevent, by contract or otherwise, any motor vehicle dealer from changing the executive management control of the new motor vehicle dealer unless the franchisor proves that the change of executive management will result in executive management control by a person who is not of good moral character or who does not meet the franchisor's existing reasonable capital standards and, with consideration given to the volume of

sales and services of the new motor vehicle dealer, uniformly applied minimum business experience standards in the market area; provided, that where the manufacturer, distributor, or factory branch rejects a proposed change in executive management control, the manufacturer, distributor, or factory branch shall give written notice of its reasons to the dealer;

(h) refrain from participation in the management of, investment in, or the acquisition of, any other line of new motor vehicle or related products or establishment of another make or line of new motor vehicles in the same dealership facilities as those of the manufacturer; provided, however, that this clause does not apply unless the new motor vehicle dealer maintains a reasonable line of credit for each make or line of new motor vehicle, and that the new motor vehicle dealer remains in substantial compliance with the terms and conditions of the franchise and with any reasonable facilities requirements of the manufacturer and that the acquisition or addition is not unreasonable in light of all existing circumstances; provided further that if a manufacturer determines to deny a dealer's request for a change described in this paragraph, such denial must be in writing, must offer an analysis of the grounds for the denial addressing the criteria contained in this paragraph, and must be delivered to the new motor vehicle dealer within 60 days after the manufacturer receives the completed application or documents customarily used by the manufacturer for dealer actions described in this paragraph. If a denial that meets the requirements of this paragraph is not sent within this period, the manufacturer shall be deemed to have given its consent to the proposed change.

For purposes of this section and sections 80E.07, subdivision 1, paragraph (c), and 80E.14, subdivision 4, reasonable facilities requirements shall not include a requirement that a dealer establish or maintain exclusive facilities for the manufacturer of a line make unless determined to be reasonable in light of all existing circumstances or the dealer and the manufacturer voluntarily agree to such a requirement and separate and adequate consideration was offered and accepted;

(i) during the course of the agreement, change the location of the new motor vehicle dealership or make any substantial alterations to the dealership premises during the course of the agreement, when to do so would be unreasonable or if the manufacturer fails to provide the dealer 180 days' prior written notice of a required change in location or substantial premises alteration; ~~or~~

(j) prospectively assent to a release, assignment, novation, waiver, or estoppel whereby a dealer relinquishes any rights under sections 80E.01 to 80E.17, or which would relieve any person from liability imposed by sections 80E.01 to 80E.17 or to require any controversy between a new motor vehicle dealer and a manufacturer, distributor, or factory branch to be referred to any person or tribunal other than the duly constituted courts of this state or the United States, if the referral would be binding upon the new motor vehicle dealer~~.~~; or

(k) refrain from participation in an auto show described in section 168.27, subdivision 10a.

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

Sec. 8. Minnesota Statutes 2024, section 82B.19, subdivision 5, is amended to read:

Subd. 5. **Out-of-state continuing education credit.** (a) For purposes of this subdivision, the following terms have the meanings given:

(1) "asynchronous educational offering" has the meaning given in the most recent version of the Real Property Appraiser Qualification Criteria, as established by the Appraiser Qualifications Board; and

(2) "synchronous educational offering" has the meaning given in the most recent version of the Real Property Appraiser Qualification Criteria, as established by the Appraiser Qualifications Board, and includes an educational process based on live or real-time instruction where there is no geographic separation of instructor and student.

(b) Notwithstanding section 45.30, subdivisions 1 and 6, a real estate appraiser or course provider may submit, in a form prescribed by the commissioner, an application for continuing education credit for a synchronous educational offering that has not been submitted for prior approval in Minnesota. The commissioner must grant a real estate appraiser continuing education credit if:

(1) the application is submitted on or before August 1 of the year in which the real estate appraiser license is due for renewal;

(2) the synchronous educational offering has been approved for continuing education credit by the regulator of real estate appraisers in at least one other state or United States territory; and

(3) an application is submitted by the real estate appraiser or course provider to the commissioner within ~~30~~ 60 days of successful completion of the synchronous educational offering.

(c) The application must include a certificate of successful completion from the synchronous educational offering provider. The commissioner must grant a real estate appraiser the same number of continuing education credits for the successful completion of the synchronous educational offering as was approved for the offering by the out-of-state real estate appraiser regulatory authority. The commissioner must grant a real estate appraiser continuing education credit within 60 days of the submission of the completed application for out-of-state continuing education credit.

(d) The commissioner may charge a fee to a real estate appraiser, in an amount to be determined by the commissioner, to submit an application under this subdivision.

(e) This subdivision does not apply to asynchronous educational offerings.

Sec. 9. Minnesota Statutes 2024, section 168.27, is amended by adding a subdivision to read:

Subd. 10a. **Participation in auto shows.** (a) A new motor vehicle dealer may participate in an auto show outside the county where the dealer maintains the dealer's licensed location to sell new vehicles without obtaining an additional license if:

(1) the dealer participates in an auto show that takes place in a county other than the county where the dealer maintains a licensed location not more than four times during any calendar year;

(2) the auto show is held at a location in a city of the first class or a city immediately adjacent to a city of the first class;

(3) the auto show is not held at a licensed location of any participating dealer;

(4) there are ten or more dealers participating in the auto show;

(5) the auto show is of a duration of no more than 12 consecutive days;

(6) the auto show is conducted by a trade association exempt from federal taxes under United States Code, title 26, section 501(c)(6); and

(7) the auto show expressly prohibits:

(i) the sale or lease of vehicles at the show;

(ii) labeling or marking vehicles as "For Sale" or "Sold";

(iii) labeling or marking a vehicle with a price other than the manufacturer's retail price label;

(iv) using printed posters, cards, and other printed materials that contain special dealership pricing; and

(v) appraisal of trade-in vehicles and quoting a trade-in price for a particular vehicle.

(b) The auto show may permit:

(1) exhibitor staff to distribute business cards, coupons, vehicle promotional materials, and factory-approved rebates;

(2) exhibitor staff to make appointments for potential customers to visit the dealership, collect names of customer leads for later contact, and discuss the suggested retail price of a vehicle and the availability of particular lines of vehicles; and

(3) test rides or test drives of new vehicles but only under a program conducted by the auto show.

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

Sec. 10. Minnesota Statutes 2024, section 239.761, subdivision 3, is amended to read:

Subd. 3. **Gasoline.** (a) Gasoline that is not blended with biofuel must not be contaminated with water or other impurities and must comply with ASTM specification ~~D4814-11b~~ D4814-24a. Gasoline that is not blended with biofuel must also comply with the volatility requirements in Code of Federal Regulations, title 40, part 1090.

(b) After gasoline is sold, transferred, or otherwise removed from a refinery or terminal, a person responsible for the product:

(1) may blend the gasoline with agriculturally derived ethanol as provided in subdivision 4;

(2) shall not blend the gasoline with any oxygenate other than biofuel;

(3) shall not blend the gasoline with other petroleum products that are not gasoline or biofuel;

(4) shall not blend the gasoline with products commonly and commercially known as casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline; and

(5) may blend the gasoline with a detergent additive, an antiknock additive, or an additive designed to replace tetra-ethyl lead, that is registered by the EPA.

Sec. 11. Minnesota Statutes 2024, section 239.761, subdivision 4, is amended to read:

Subd. 4. **Gasoline blended with ethanol; general.** (a) Gasoline may be blended with agriculturally derived, denatured ethanol that complies with the requirements of subdivision 5.

(b) A gasoline-ethanol blend must:

(1) comply with the volatility requirements in Code of Federal Regulations, title 40, part 1090;

(2) comply with ASTM specification ~~D4814-11b~~ D4814-24a, or the gasoline base stock from which a gasoline-ethanol blend was produced must comply with ASTM specification ~~D4814-11b~~ D4814-24a; and

(3) not be blended with casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline after the gasoline-ethanol blend has been sold, transferred, or otherwise removed from a refinery or terminal.

Sec. 12. Minnesota Statutes 2024, section 239.761, subdivision 5, is amended to read:

Subd. 5. **Denatured ethanol.** Denatured ethanol that is to be blended with gasoline must be agriculturally derived and must comply with ASTM specification ~~D4806-11a~~ D4806-21a. This includes the requirement that ethanol may be denatured only as specified in Code of Federal Regulations, title 27, parts 20 and 21.

Sec. 13. Minnesota Statutes 2024, section 239.761, subdivision 6, is amended to read:

Subd. 6. **Gasoline blended with nonethanol oxygenate.** (a) A person responsible for the product shall comply with the following requirements:

(1) after July 1, 2000, gasoline containing in excess of one-third of one percent, in total, of nonethanol oxygenates listed in paragraph (b) must not be sold or offered for sale at any time in this state; and

(2) after July 1, 2005, gasoline containing any of the nonethanol oxygenates listed in paragraph (b) must not be sold or offered for sale in this state.

(b) The oxygenates prohibited under paragraph (a) are:

(1) methyl tertiary butyl ether, as defined in section 296A.01, subdivision 34;

(2) ethyl tertiary butyl ether, as defined in section 296A.01, subdivision 18; or

(3) tertiary amyl methyl ether.

(c) Gasoline that is blended with a nonethanol oxygenate must comply with ASTM specification ~~D4814-11b~~ D4814-24a. Nonethanol oxygenates must not be blended into gasoline after the gasoline has been sold, transferred, or otherwise removed from a refinery or terminal.

Sec. 14. Minnesota Statutes 2024, section 239.791, subdivision 11, is amended to read:

Subd. 11. **Exemption for motor sports racing.** (a) A person responsible for the product may offer for sale, sell, or dispense at a public or private racecourse or a retail gasoline station, gasoline that is not oxygenated in accordance with subdivision 1 if the gasoline is intended to be used exclusively as a fuel for off-highway motor sports racing events.

(b) No more than one storage tank on the premises of a retail gasoline station may be used for the storage of nonoxygenated motor sports racing gasoline that is offered for sale, sold, or dispensed at the station. The pump stand at the station must be posted with a permanent, conspicuously placed notice in full view of consumers stating: "FOR USE IN OFF-HIGHWAY MOTOR SPORTS ENGINES ONLY."

Sec. 15. Minnesota Statutes 2024, section 296A.01, subdivision 20, is amended to read:

Subd. 20. **Ethanol, denatured.** "Ethanol, denatured" means ethanol that is to be blended with gasoline, has been agriculturally derived, and complies with ASTM specification ~~D4806-11a~~ D4806-21a. This includes the requirement that ethanol may be denatured only as specified in Code of Federal Regulations, title 27, parts 20 and 21.

Sec. 16. Minnesota Statutes 2024, section 296A.01, subdivision 23, is amended to read:

Subd. 23. **Gasoline.** (a) "Gasoline" means:

(1) all products commonly or commercially known or sold as gasoline regardless of their classification or uses, except casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline that under the requirements of section 239.761, subdivision 3, must not be blended with gasoline that has been sold, transferred, or otherwise removed from a refinery or terminal; and

(2) any liquid prepared, advertised, offered for sale or sold for use as, or commonly and commercially used as, a fuel in spark-ignition, internal combustion engines, and that when tested by the Weights and Measures Division meets the specifications in ASTM specification ~~D4814-11b~~ D4814-24a.

(b) Gasoline that is not blended with ethanol must not be contaminated with water or other impurities and must comply with both ASTM specification ~~D4814-11b~~ D4814-24a and the volatility requirements in Code of Federal Regulations, title 40, part 1090.

(c) After gasoline is sold, transferred, or otherwise removed from a refinery or terminal, a person responsible for the product:

(1) may blend the gasoline with agriculturally derived ethanol, as provided in subdivision 24;

(2) must not blend the gasoline with any oxygenate other than denatured, agriculturally derived ethanol;

(3) must not blend the gasoline with other petroleum products that are not gasoline or denatured, agriculturally derived ethanol;

(4) must not blend the gasoline with products commonly and commercially known as casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline; and

(5) may blend the gasoline with a detergent additive, an antiknock additive, or an additive designed to replace tetra-ethyl lead, that is registered by the EPA.

Sec. 17. Minnesota Statutes 2024, section 296A.01, subdivision 24, is amended to read:

Subd. 24. **Gasoline blended with nonethanol oxygenate.** "Gasoline blended with nonethanol oxygenate" means gasoline blended with ETBE, MTBE, or other alcohol or ether, except denatured ethanol, that is approved as an oxygenate by the EPA, and that complies with ASTM specification ~~D4814-11b~~ D4814-24a. Oxygenates, other than denatured ethanol, must not be blended into gasoline after the gasoline has been sold, transferred, or otherwise removed from a refinery or terminal.

Sec. 18. **[325F.677] AVAILABILITY OF WATER AT PLACES OF ENTERTAINMENT.**

Subdivision 1. **Definition.** For purposes of this section, "place of entertainment" has the meaning given in section 325F.676, subdivision 1, paragraph (h).

Subd. 2. **Available water requirement.** When occupancy exceeds 100 attendees and when an attendee must have a ticket in order to access the place of entertainment, a place of entertainment must provide attendees with access to potable water by:

(1) providing water at no cost to the attendees;

(2) allowing attendees to bring factory-sealed bottled water into the place of entertainment; or

(3) allowing attendees to bring an empty water bottle to the place of entertainment and providing attendees with access to potable water to fill the bottle. A place of entertainment may prohibit certain types and sizes of water bottles in order to protect the safety of others.

Subd. 3. **Exceptions.** A museum exhibit gallery or presentation space where beverages are prohibited is not required to allow water into the museum exhibit gallery or presentation space if water is available at no cost in an accessible location outside of the museum exhibit gallery or presentation space.

Sec. 19. **SECURITIES BROKER-DEALER CONDUCT; EXPEDITED RULEMAKING.**

The commissioner of commerce must adopt rules amending Minnesota Rules, part 2876.5021, to reflect that NASD is now referred to as FINRA and to comply with FINRA's new securities broker-dealer conduct rules. The commissioner of commerce may use the expedited rulemaking process under Minnesota Statutes, section 14.389, to amend Minnesota Rules, part 2876.5021, under this section.

Sec. 20. **REPEALER.**

Minnesota Statutes 2024, sections 325F.02; 325F.03; 325F.04; 325F.05; 325F.06; and 325F.07, are repealed."

Delete the title and insert:

"A bill for an act relating to commerce; modifying and adding various provisions governing financial institutions, insurance, limited long-term care insurance; Medicare supplement insurance, and insurance holding company systems; adopting the Uniform Special Deposits Act; modifying the Minnesota Business Corporations Act; modifying various garnishment forms; modifying various provisions implemented or enforced by the Department of Commerce; authorizing administrative rulemaking; making technical and conforming changes; amending Minnesota Statutes 2024, sections 41A.09, subdivision 2a; 45.027, subdivisions 1, 2, by adding a subdivision; 45.24; 46A.04; 47.20, subdivisions 2, 4a, 8; 47.77; 53B.61; 55.07, by adding a subdivision; 58B.02, subdivision 8a; 60C.09, subdivision 2; 60D.09, by adding a subdivision; 60D.15, subdivisions 4, 7, by adding subdivisions; 60D.16, subdivision 2; 60D.17, subdivision 1; 60D.18, subdivision 3; 60D.19, subdivision 4, by adding subdivisions; 60D.20, subdivision 1; 60D.217; 60D.22, subdivisions 1, 3, 6, by adding a subdivision; 60D.24, subdivision 2; 60D.25; 62A.31, subdivisions 1, 1f, 1h, 1p, 1u, 4; 62A.44, subdivision 2; 62A.65, subdivision 2, by adding a subdivision; 62D.12, subdivisions 2, 2a; 62D.121, subdivision 1; 62Q.73, subdivision 4; 65B.02, subdivision 7; 65B.05; 65B.06, subdivisions 1, 2, 3; 65B.10, subdivision 2; 72A.20, by adding a subdivision; 80A.66; 80E.12; 82B.19, subdivision 5; 168.27, by adding a subdivision; 239.761, subdivisions 3, 4, 5, 6; 239.791, subdivision 11; 296A.01, subdivisions 20, 23, 24; 302A.011, subdivision 41, by adding subdivisions; 302A.111, subdivision 2; 302A.161, by adding a subdivision; 302A.181, by adding a subdivision; 302A.201, subdivision 1; 302A.237, by adding a subdivision; 302A.361; 302A.461, subdivision 4; 302A.471, subdivisions 1, 3; 302A.611, by adding a

subdivision; 334.01, subdivision 2; 550.136, subdivisions 6, 9; 550.143, subdivisions 2, 3a, 3b, 3c; 551.05, subdivisions 1b, 1c, 1d; 551.06, subdivisions 6, 9; 571.72, subdivisions 8, 10; 571.74; 571.75, subdivision 2; 571.912; 571.914, subdivision 2; 571.925; 571.931, subdivision 6; 571.932, subdivision 2; 580.07, subdivisions 1, 2; 581.02; Laws 2024, chapter 114, article 3, section 101; proposing coding for new law in Minnesota Statutes, chapters 47; 60D; 62A; 302A; 325F; repealing Minnesota Statutes 2024, sections 62A.3099, subdivision 18b; 62A.31, subdivision 1w; 65B.10, subdivision 3; 325F.02; 325F.03; 325F.04; 325F.05; 325F.06; 325F.07; Laws 2023, chapter 57, article 2, section 66."

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

The report was adopted.

Liebling and Scott from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 2456, A bill for an act relating to child support; removing cost-of-living adjustments in maintenance or child support orders; making conforming changes; amending Minnesota Statutes 2024, sections 518.68, subdivision 2; 518A.34; 518A.75, subdivision 1.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Children and Families Finance and Policy.

The report was adopted.

Liebling and Scott from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 2551, A bill for an act relating to children; follow-up to 2024 children, youth, and families recodification; making technical changes; amending Minnesota Statutes 2024, sections 3.922, subdivision 1; 13.41, subdivision 1; 13.46, subdivisions 3, 4, 9, 10; 13.598, subdivision 10; 14.03, subdivision 3; 116L.881; 125A.15; 125A.744, subdivision 2; 127A.11; 127A.70, subdivision 2; 142A.607, subdivision 14; 142A.609, subdivision 21; 142B.41, subdivision 9; 144.061; 144.225, subdivision 2a; 145.895; 145.901, subdivisions 2, 4; 145.9255, subdivision 1; 145.9265; 174.285, subdivision 4; 214.104; 216C.266, subdivisions 2, 3; 241.021, subdivision 2; 242.09; 242.21; 242.32, subdivision 1; 245.697, subdivisions 1, 2a; 245.814, subdivisions 1, 2, 3, 4; 245C.02, subdivisions 7, 12, 13; 245C.031, subdivision 9; 245C.033, subdivision 2; 245C.05, subdivision 7; 245C.07; 256.88; 256.89; 256.90; 256.91; 256.92; 256G.01, subdivisions 1, 3; 256G.03, subdivision 2; 256G.04, subdivision 2; 256G.09, subdivisions 2, 3, 4, 5; 256G.10; 256G.11; 256G.12, subdivision 1; 260.762, subdivision 2a; 260B.171, subdivision 4; 260E.03, subdivision 6; 260E.11, subdivision 1; 260E.30, subdivision 4; 260E.33, subdivision 6; 261.232; 270B.14, subdivision 1, by adding a subdivision; 299C.76, subdivision 1; 299F.011, subdivision 4a; 402A.10, subdivisions 1a, 2, 4c; 402A.12; 402A.16, subdivisions 1, 2, 3, 4; 402A.18, subdivisions 2, 3, by adding a subdivision; 402A.35, subdivisions 1, 4, 5; 462A.2095, subdivision 6; 466.131; 518.165, subdivision 5; 524.5-106; 524.5-118, subdivision 2; 595.02, subdivision 2; 626.5533; repealing Minnesota Statutes 2024, sections 142A.15; 142E.50, subdivisions 2, 12; 245A.02, subdivision 6d; 256G.02, subdivisions 3, 5; 261.003.

Reported the same back with the following amendments:

Page 8, line 3, after "commissioner" insert "<u>of human services; commissioner of children, youth, and families;</u>"

Page 22, line 18, after "services" insert "<u>or the commissioner of children, youth, and families</u>"

Page 38, line 27, strike "commissioner" and insert "commissioners"

Page 59, lines 2, 11, 16, and 21, strike "department" and insert "commissioner"

Page 59, line 4, strike the first "department" and insert "commissioner" and strike the second "department" and insert "commissioner"

Page 59, line 33, strike "department's" and insert "commissioner's"

Page 60, line 8, strike "department" and insert "commissioner"

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

The report was adopted.

Koegel and Koznick from the Committee on Transportation Finance and Policy to which was referred:

H. F. No. 2554, A bill for an act relating to transportation; designating the Elmstrand * Finseth * Ruge Heroes Memorial Bridge in the city of Burnsville; amending Minnesota Statutes 2024, section 161.14, by adding a subdivision.

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

The report was adopted.

Baker and Pinto from the Committee on Workforce, Labor, and Economic Development Finance and Policy to which was referred:

H. F. No. 2565, A bill for an act relating to workforce development; appropriating money for a grant to Ramsey County for workforce development programming.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **APPROPRIATION EXTENSION.**

The appropriation in Laws 2023, chapter 53, article 20, section 2, subdivision 3, paragraph (ccc), as amended by Laws 2024, chapter 120, article 1, section 7, is available until December 31, 2027."

Delete the title and insert:

"A bill for an act relating to workforce development; extending an appropriation for a grant to Ramsey County."

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

The report was adopted.

Liebling and Scott from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 2743, A bill for an act relating to government data practices; modifying provisions for the Office of the Inspector General within the Department of Education; providing for access to records by the Office of the Inspector General; classifying data; providing for immunity and confidentiality in reporting or participating in an investigation; establishing a process for notice, appeal, and withholding of payments; clarifying definitions of fraud, theft, waste, and abuse; amending Minnesota Statutes 2024, sections 13.32, subdivision 5; 13.82, subdivision 1; 120B.021, subdivision 3; 120B.117, subdivision 4; 127A.21, subdivisions 1, 1a, 4, 5, 6, 7, by adding subdivisions; 127A.49, subdivision 3; 268.19, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 13.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Education Policy.

The report was adopted.

Liebling and Scott from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 2870, A bill for an act relating to elections; making various changes related to election administration; modifying provisions related to absentee voting; clarifying terminology; amending Minnesota Statutes 2024, sections 203B.121, subdivision 4; 204B.06, subdivision 1b; 204B.09, subdivisions 1a, 2; 204B.44; repealing Minnesota Statutes 2024, section 209.06.

Reported the same back with the following amendments:

Page 5, line 20, after "required" insert "by this section"

Page 5, line 28, after the period, insert "The agreement must address, at a minimum, how the correction will take place and, if the correction involves a change to a ballot, how voters who have received or returned an incomplete ballot will be notified of the change and what, if any, steps voters who have returned an incorrect ballot can take to receive a corrected replacement ballot."

Page 5, line 32, after the period, insert "Nothing in this paragraph shall be construed to preclude any person from filing a petition under this section alleging that the written agreement constitutes an error, omission, or wrongful act that requires correction by the court."

With the recommendation that when so amended the bill be re-referred to the Committee on Elections Finance and Government Operations.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 538, 729, 750, 854, 963, 1090, 1124, 1224, 1306, 1354, 1378, 2098, 2233, 2403, 2551, 2554 and 2565 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Hill and Gottfried introduced:

H. F. No. 3116, A bill for an act relating to human services; extending the expiration date of caregiver support program appropriations; amending Laws 2024, chapter 127, article 53, section 2, subdivision 13.

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

Gomez and Hanson, J., introduced:

H. F. No. 3117, A bill for an act relating to taxation; establishing an excise tax on certain social media platform businesses; proposing coding for new law in Minnesota Statutes, chapter 295.

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

Coulter introduced:

H. F. No. 3118, A bill for an act relating to campaign finance; requiring the Campaign Finance and Public Disclosure Board to study campaign spending limits.

The bill was read for the first time and referred to the Committee on Elections Finance and Government Operations.

Sencer-Mura; Clardy; Hanson, J.; Johnson, P.; Rehrauer; Mahamoud; Jordan; Keeler; Gottfried; Agbaje; Greenman; Tabke; Koegel; Norris; Frazier; Hill and Feist introduced:

H. F. No. 3119, A bill for an act relating to education finance; establishing minimum compensation for teachers and certain other school staff; establishing aid programs to support teacher base compensation and unlicensed staff wage requirements; requiring a report; proposing coding for new law in Minnesota Statutes, chapter 122A.

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

Greene, Keeler and Gottfried introduced:

H. F. No. 3120, A bill for an act relating to education; directing the commissioner of education to amend the state's accountability plan.

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

Koegel introduced:

H. F. No. 3121, A bill for an act relating to transportation; establishing certain transparency and community engagement in trunk highway project development; establishing project scoping and development requirements; requiring transportation project activity portal; modifying certain legislative reports; appropriating money; amending Minnesota Statutes 2024, sections 161.178, subdivision 1; 174.03, subdivision 12; 174.07, subdivision 3; 174.56; proposing coding for new law in Minnesota Statutes, chapters 161; 174.

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

Kraft introduced:

H. F. No. 3122, A bill for an act relating to education; clarifying parental curriculum review provisions; amending Minnesota Statutes 2024, section 120B.20.

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

Her introduced:

H. F. No. 3123, A bill for an act relating to health insurance; setting requirements for the calculation of an enrollee's contribution toward cost-sharing and out-of-pocket maximum requirements; proposing coding for new law in Minnesota Statutes, chapter 62Q.

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

Vang introduced:

H. F. No. 3124, A bill for an act relating to agriculture; appropriating money for heritage oilseeds and grains.

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

Johnson, P., introduced:

H. F. No. 3125, A bill for an act relating to capital investment; appropriating money for a community engagement center in the city of Duluth; authorizing the sale and issuance of state bonds.

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

Reyer introduced:

H. F. No. 3126, A bill for an act relating to human services; appropriating money for a grant to Thrive Family Recovery Resources.

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

Davids introduced:

H. F. No. 3127, A bill for an act relating to taxation; modifying the expiration of the pass-through entity tax; amending Minnesota Statutes 2024, sections 289A.08, subdivision 7a; 290.06, subdivision 23a.

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

Davids introduced:

H. F. No. 3128, A bill for an act relating to capital investment; appropriating money for certain utility infrastructure improvements in the city of Lanesboro; authorizing the sale and issuance of state bonds.

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

Nadeau introduced:

H. F. No. 3129, A bill for an act relating to the State Building Code; requiring the commissioner of labor and industry to adopt rules about unvented attics and enclosed rafter assemblies; amending Minnesota Statutes 2024, section 326B.106, subdivision 4.

The bill was read for the first time and referred to the Committee on Workforce, Labor, and Economic Development Finance and Policy.

Roach, Dippel, Gordon, Perryman, Rymer, Fogelman, Gander and Jacob introduced:

H. F. No. 3130, A bill for an act relating to public safety; clarifying law on use of force in self-defense; eliminating the common law duty to retreat in cases of self-defense outside the home; expanding the boundaries of dwelling for purposes of self-defense; creating presumption of right to self-defense; amending Minnesota Statutes 2024, sections 609.06, subdivision 1; 609.065; proposing coding for new law in Minnesota Statutes, chapter 609.

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

Franson introduced:

H. F. No. 3131, A bill for an act relating to transportation; authorizing issuance of cancer-related disability parking certificates; amending Minnesota Statutes 2024, section 169.345, subdivisions 2a, 3b, by adding a subdivision.

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

Mueller, Cha, Her and Lee, K., introduced:

H. F. No. 3132, A bill for an act relating to education; encouraging school districts to commemorate Asian American and Pacific Islander Heritage Month; proposing coding for new law in Minnesota Statutes, chapter 120A.

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

Franson introduced:

H. F. No. 3133, A bill for an act relating to health; modifying physician and medical resident eligibility for loan forgiveness under the health professional education loan forgiveness program; amending Minnesota Statutes 2024, section 144.1501, subdivision 1.

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

Franson introduced:

H. F. No. 3134, A bill for an act relating to education; modifying CPR and AED instruction provisions to include the Health and Safety Institute; amending Minnesota Statutes 2024, section 120B.236.

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

Franson introduced:

H. F. No. 3135, A bill for an act relating to capital investment; appropriating money for an interchange in Douglas County; authorizing the sale and issuance of state bonds.

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

Franson, Hussein, Momanyi-Hiltsley, Bahner, Mahamoud and Pursell introduced:

H. F. No. 3136, A bill for an act relating to public health; requiring establishment of a task force on prevention of female genital mutilation; requiring a report; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 144.

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

Schomacker introduced:

H. F. No. 3137, A bill for an act relating to capital investment; appropriating money for public infrastructure improvements in the city of Edgerton; authorizing the sale and issuance of state bonds.

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

Joy and Knudsen introduced:

H. F. No. 3138, A bill for an act relating to capital investment; modifying an appropriation for the Heartland State Trail; amending Laws 2023, chapter 72, article 1, section 7, subdivision 18.

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

Nadeau introduced:

H. F. No. 3139, A bill for an act relating to health; establishing a MinnesotaCare Plan; requiring the commissioner of commerce to seek a section 1332 waiver; requiring the commissioner of human services to request to suspend the MinnesotaCare program; amending Minnesota Statutes 2024, sections 62V.02, by adding a subdivision; 62V.03, subdivisions 1, 3; 62V.05, subdivisions 3, 6, by adding a subdivision; 62V.051; 62V.13, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 62A.

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

Swedzinski introduced:

H. F. No. 3140, A bill for an act relating to taxation; tax increment financing; authorizing special rules for the city of Marshall.

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

Sexton introduced:

H. F. No. 3141, A bill for an act relating to human services; appropriating money for Waseca Area Caregiver Services.

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

Wiener introduced:

H. F. No. 3142, A bill for an act relating to environment; appropriating money to transport wood waste for processing.

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

Wiener introduced:

H. F. No. 3143, A bill for an act relating to environment; appropriating money for a wood upcycling campus.

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

Gander introduced:

H. F. No. 3144, A bill for an act relating to transportation; appropriating money to support medical supply delivery by small unmanned aircraft.

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

Gander introduced:

H. F. No. 3145, A bill for an act relating to capital investment; appropriating money for road improvements in the city of Hendrum; authorizing the sale and issuance of state bonds.

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

Gomez, Engen, Feist, Hudson, Liebling, Pursell, Xiong, Jordan, Hollins, Agbaje, Keeler and Roach introduced:

H. F. No. 3146, A bill for an act relating to public safety; prohibiting the acquisition and use of facial recognition technology by government entities; proposing coding for new law in Minnesota Statutes, chapter 626.

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

Hollins and Finke introduced:

H. F. No. 3147, A bill for an act relating to capital investment; appropriating money for habitats for large cats and wolves at the Como Zoo in the city of St. Paul; authorizing the sale and issuance of state bonds.

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

Hollins; Jones; Smith; Jordan; Lee, F.; Greenman; Gomez; Sencer-Mura; Johnson, P.; Kozlowski; Agbaje and Pérez-Vega introduced:

H. F. No. 3148, A bill for an act relating to liquor; authorizing cities of the first class to issue a social district license; proposing coding for new law in Minnesota Statutes, chapter 340A.

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

Engen, Hudson and Davis introduced:

H. F. No. 3149, A bill for an act relating to elections; repealing the political contribution refund program; amending Minnesota Statutes 2024, sections 289A.37, subdivision 2; 289A.50, subdivision 1; 290.01, subdivision 6; repealing Minnesota Statutes 2024, section 290.06, subdivision 23.

The bill was read for the first time and referred to the Committee on Elections Finance and Government Operations.

Koznick introduced:

H. F. No. 3150, A bill for an act relating to transportation; modifying due date of a legislative report prepared by the Center of Transportation Studies at the University of Minnesota; amending Laws 2023, chapter 68, article 4, section 109.

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

Mekeland, Hudson, Warwas, Knudsen, Dotseth, Murphy and Burkel introduced:

H. F. No. 3151, A bill for an act relating to health; prohibiting gender-affirming medical care and certain counseling for minors in the state of Minnesota; establishing penalties for violations; proposing coding for new law in Minnesota Statutes, chapter 144.

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

Mekeland, Murphy, Hudson and Burkel introduced:

H. F. No. 3152, A bill for an act relating to health; prohibiting the administration of gene-based vaccines; providing a penalty; proposing coding for new law in Minnesota Statutes, chapter 144.

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

Pinto introduced:

H. F. No. 3153, A bill for an act relating to capital investment; appropriating money for the Mississippi River Learning Center in St. Paul; authorizing the sale and issuance of state bonds.

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

Cha; Burkel; Harder; Jacob; Smith; Swedzinski; Frederick; Hicks; Vang; Hill; Wolgamott; Gottfried; Johnson, P.; Nelson; Skraba; Gillman; Schomacker; Her; Gander and Lillie introduced:

H. F. No. 3154, A bill for an act relating to agriculture; appropriating money for grants to the Rural Policy and Development Center.

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

Tabke, Perryman, Joy, Norris and Witte introduced:

H. F. No. 3155, A bill for an act relating to public safety; including gift card fraud in organized retail theft; amending Minnesota Statutes 2024, section 609.522, subdivisions 1, 2.

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

Jones, Hollins, Reyer, Howard, Kraft, Norris, Allen and Smith introduced:

H. F. No. 3156, A bill for an act relating to local government; restricting local government regulations of certain residential developments by religious organizations; providing civil remedies; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 462.

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

Hussein introduced:

H. F. No. 3157, A bill for an act relating to workforce development; appropriating money to Union Gospel Mission Twin Cities for workforce development services.

The bill was read for the first time and referred to the Committee on Workforce, Labor, and Economic Development Finance and Policy.

Lee, F.; Gomez; West; Skraba; Huot; Liebling; Falconer; Mahamoud; Frazier; Hussein; Kozlowski; Agbaje; Jordan; Greenman; Jones; Hollins; Hanson, J.; Sencer-Mura; Berg; Frederick; Howard; Finke; Xiong; Noor; Myers; Her; Coulter; Schultz; Keeler; Vang; Pursell; Curran; Smith; Tabke and McDonald introduced:

H. F. No. 3158, A bill for an act relating to state government; proposing an amendment to the Minnesota Constitution, article IV, by adding a section; requiring supermajority vote of the legislature to authorize public funding for a professional sports facility.

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

Gillman introduced:

H. F. No. 3159, A bill for an act relating to transportation; limiting the road types on which a motorcycle may split or filter lanes; amending Minnesota Statutes 2024, section 169.974, subdivision 5.

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

Lawrence, Greenman, Schultz, Quam, Kraft, Engen and Freiberg introduced:

H. F. No. 3160, A bill for an act relating to elections; authorizing individuals under the age of 18 to vote at a primary election in certain circumstances; amending Minnesota Statutes 2024, section 201.014, subdivision 1.

The bill was read for the first time and referred to the Committee on Elections Finance and Government Operations.

Momanyi-Hiltsley introduced:

H. F. No. 3161, A bill for an act relating to human services; appropriating money for a health awareness hub pilot project.

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

Hansen, R., introduced:

H. F. No. 3162, A bill for an act relating to economic development; appropriating money for costs related to the Mississippi River Cities and Towns Initiative annual meeting.

The bill was read for the first time and referred to the Committee on Workforce, Labor, and Economic Development Finance and Policy.

Hansen, R., introduced:

H. F. No. 3163, A bill for an act relating to civil marriages; clarifying that legislators may perform civil marriages; amending Minnesota Statutes 2024, section 517.04.

The bill was read for the first time and referred to the Committee on Judiciary Finance and Civil Law.

Norris, Greenman, Pinto, Xiong and Gomez introduced:

H. F. No. 3164, A bill for an act relating to workforce development; establishing a veteran relocation bonus program for veterans who were recently terminated from federal employment; requiring reports; appropriating money.

The bill was read for the first time and referred to the Committee on Workforce, Labor, and Economic Development Finance and Policy.

Vang introduced:

H. F. No. 3165, A bill for an act relating to arts and cultural heritage; appropriating money to Seeds Worth Sowing.

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

Gomez introduced:

H. F. No. 3166, A bill for an act relating to taxation; tax increment financing; making school district approval a condition of establishing an economic development district; amending Minnesota Statutes 2024, section 469.175, subdivision 3.

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

CALENDAR FOR THE DAY

H. F. No. 62, A bill for an act relating to education; providing references to statutes governing student attendance; proposing coding for new law in Minnesota Statutes, chapter 120A.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Acomb	Anderson, P. E.	Bakeberg	Bierman	Clardy	Davis
Agbaje	Anderson, P. H.	Baker	Bliss	Coulter	Dippel
Allen	Backer	Bennett	Burkel	Curran	Dotseth
Altendorf	Bahner	Berg	Cha	Davids	Duran

Elkins	Hanson, J.	Joy	Moller	Rarick	Tabke
Engen	Harder	Keeler	Momanyi-Hiltsley	Rehm	Torkelson
Falconer	Heintzeman	Klevorn	Mueller	Rehrauer	Van Binsbergen
Feist	Hemmingsen-Jaeger	Knudsen	Murphy	Repinski	Vang
Finke	Her	Koegel	Myers	Reyer	Virnig
Fischer	Hicks	Kotyza-Witthuhn	Nadeau	Roach	Warwas
Fogelman	Hill	Kozlowski	Nash	Robbins	West
Franson	Hollins	Koznick	Nelson	Rymer	Wiener
Frazier	Hortman	Kraft	Niska	Schomacker	Witte
Frederick	Howard	Kresha	Noor	Schultz	Wolgamott
Freiberg	Hudson	Lawrence	Norris	Schwartz	Xiong
Gander	Huot	Lee, F.	Novotny	Scott	Youakim
Gillman	Hussein	Lee, K.	O'Driscoll	Sencer-Mura	Zeleznikar
Gomez	Igo	Liebling	Olson	Sexton	Spk. Demuth
Gordon	Jacob	Lillie	Pérez-Vega	Skraba	
Gottfried	Johnson, P.	Long	Perryman	Smith	
Greene	Johnson, W.	Mahamoud	Pinto	Stephenson	
Greenman	Jones	McDonald	Pursell	Stier	
Hansen, R.	Jordan	Mekeland	Quam	Swedzinski	

The bill was passed and its title agreed to.

H. F. No. 2067 was reported to the House.

Keeler moved to amend H. F. No. 2067, the first engrossment, as follows:

Page 3, delete section 4

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 2067, A bill for an act relating to education; modifying student attendance provisions; modifying reporting requirements; modifying notification procedures for student absences and reenrollment; amending Minnesota Statutes 2024, sections 120A.22, subdivisions 12, 13; 120A.24, subdivision 4; 120B.305, subdivision 2; 126C.05, subdivision 8.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Acomb	Altendorf	Backer	Baker	Bierman	Cha
Agbaje	Anderson, P. E.	Bahner	Bennett	Bliss	Clardy
Allen	Anderson, P. H.	Bakeberg	Berg	Burkel	Coulter

Curran	Gordon	Johnson, P.	Mahamoud	Pursell	Swedzinski
Davids	Gottfried	Johnson, W.	McDonald	Quam	Tabke
Davis	Greene	Jones	Mekeland	Rarick	Torkelson
Dippel	Greenman	Jordan	Moller	Rehm	Van Binsbergen
Dotseth	Hansen, R.	Joy	Momanyi-Hiltsley	Rehrauer	Vang
Duran	Hanson, J.	Keeler	Mueller	Repinski	Virnig
Elkins	Harder	Klevorn	Murphy	Reyer	Warwas
Engen	Heintzeman	Knudsen	Myers	Roach	West
Falconer	Hemmingsen-Jaeger	Koegel	Nadeau	Robbins	Wiener
Feist	Her	Kotyza-Witthuhn	Nash	Rymer	Witte
Finke	Hicks	Kozlowski	Nelson	Schomacker	Wolgamott
Fischer	Hill	Koznick	Niska	Schultz	Xiong
Fogelman	Hollins	Kraft	Noor	Schwartz	Youakim
Franson	Hortman	Kresha	Norris	Scott	Zeleznikar
Frazier	Howard	Lawrence	Novotny	Sencer-Mura	Spk. Demuth
Frederick	Hudson	Lee, F.	O'Driscoll	Sexton	
Freiberg	Huot	Lee, K.	Olson	Skraba	
Gander	Hussein	Liebling	Pérez-Vega	Smith	
Gillman	Igo	Lillie	Perryman	Stephenson	
Gomez	Jacob	Long	Pinto	Stier	

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

H. F. No. 1471, A bill for an act relating to local government; requiring a copy of the landlord-tenant guide at issuance or renewal of rental license; proposing coding for new law in Minnesota Statutes, chapter 471.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 91 yeas and 39 nays as follows:

Those who voted in the affirmative were:

Acomb	Finke	Hollins	Kresha	Pinto	Torkelson
Agbaje	Fischer	Hortman	Lee, F.	Pursell	Vang
Anderson, P. H.	Frazier	Howard	Lee, K.	Rehm	Virnig
Bahner	Frederick	Huot	Liebling	Rehrauer	Warwas
Berg	Freiberg	Hussein	Lillie	Repinski	West
Bierman	Gander	Igo	Long	Reyer	Witte
Cha	Gomez	Johnson, P.	Mahamoud	Robbins	Wolgamott
Clardy	Gottfried	Johnson, W.	Moller	Schomacker	Xiong
Coulter	Greene	Jones	Momanyi-Hiltsley	Schwartz	Youakim
Curran	Greenman	Jordan	Myers	Sencer-Mura	Zeleznikar
Davids	Hansen, R.	Keeler	Nadeau	Skraba	Spk. Demuth
Duran	Hanson, J.	Klevorn	Nash	Smith	
Elkins	Hemmingsen-Jaeger	Koegel	Noor	Stephenson	
Engen	Her	Kotyza-Witthuhn	Norris	Stier	
Falconer	Hicks	Kozlowski	Pérez-Vega	Swedzinski	
Feist	Hill	Kraft	Perryman	Tabke	

Those who voted in the negative were:

Allen	Backer	Bliss	Dippel	Franson	Harder
Altendorf	Bakeberg	Burkel	Dotseth	Gillman	Heintzeman
Anderson, P. E.	Bennett	Davis	Fogelman	Gordon	Hudson

Jacob	Lawrence	Murphy	O'Driscoll	Rymer	Wiener
Joy	McDonald	Nelson	Quam	Schultz	
Knudsen	Mekeland	Niska	Rarick	Scott	
Koznick	Mueller	Novotny	Roach	Van Binsbergen	

The bill was passed and its title agreed to.

H. F. No. 2296, A bill for an act relating to landlord and tenant; clarifying a prohibition on disclosure of victim information; amending Minnesota Statutes 2024, section 504B.206, subdivision 2.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Acomb	Duran	Hemmingsen-Jaeger	Koznick	Novotny	Smith
Agbaje	Elkins	Her	Kraft	O'Driscoll	Stephenson
Allen	Engen	Hicks	Kresha	Olson	Stier
Altendorf	Falconer	Hill	Lawrence	Pérez-Vega	Swedzinski
Anderson, P. E.	Feist	Hollins	Lee, F.	Perryman	Tabke
Anderson, P. H.	Finke	Hortman	Lee, K.	Pinto	Torkelson
Backer	Fischer	Howard	Liebling	Pursell	Van Binsbergen
Bahner	Fogelman	Hudson	Lillie	Quam	Vang
Bakeberg	Franson	Huot	Long	Rarick	Virnig
Baker	Frazier	Hussein	Mahamoud	Rehm	Warwas
Bennett	Frederick	Igo	McDonald	Rehrauer	West
Berg	Freiberg	Jacob	Mekeland	Repinski	Wiener
Bierman	Gander	Johnson, P.	Moller	Reyer	Witte
Bliss	Gillman	Johnson, W.	Momanyi-Hiltsley	Roach	Wolgamott
Burkel	Gomez	Jones	Mueller	Robbins	Xiong
Cha	Gordon	Jordan	Murphy	Rymer	Youakim
Clardy	Gottfried	Joy	Myers	Schomacker	Zeleznikar
Coulter	Greene	Keeler	Nadeau	Schultz	Spk. Demuth
Curran	Greenman	Klevorn	Nash	Schwartz	
Davids	Hansen, R.	Knudsen	Nelson	Scott	
Davis	Hanson, J.	Koegel	Niska	Sencer-Mura	
Dippel	Harder	Kotyza-Witthuhn	Noor	Sexton	
Dotseth	Heintzeman	Kozlowski	Norris	Skraba	

The bill was passed and its title agreed to.

H. F. No. 1659, A bill for an act relating to corrections; modifying cultural program for American Indian incarcerated individuals; clarifying reporting requirements related to community supervision; exempting federal law enforcement agents who transport persons from definition of protective agent; repealing obsolete civil commitment law regarding incarcerated individuals with mental illness; amending Minnesota Statutes 2024, sections 241.80; 326.338, subdivision 4; 401.10, subdivision 4; 401.17, subdivisions 1, 5; repealing Minnesota Statutes 2024, sections 253.21; 253.23.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 6 nays as follows:

Those who voted in the affirmative were:

Acomb	Dotseth	Heintzeman	Koegel	Nash	Sencer-Mura
Agbaje	Duran	Hemmingsen-Jaeger	Kotyza-Witthuhn	Nelson	Sexton
Allen	Elkins	Her	Kozlowski	Niska	Skraba
Altendorf	Engen	Hicks	Koznick	Noor	Smith
Anderson, P. E.	Falconer	Hill	Kraft	Norris	Stephenson
Anderson, P. H.	Feist	Hollins	Kresha	Novotny	Stier
Backer	Finke	Hortman	Lawrence	O'Driscoll	Swedzinski
Bahner	Fischer	Howard	Lee, F.	Olson	Tabke
Bakeberg	Frazier	Hudson	Lee, K.	Pérez-Vega	Torkelson
Baker	Frederick	Huot	Liebling	Perryman	Vang
Bennett	Freiberg	Hussein	Lillie	Pinto	Virnig
Berg	Gander	Igo	Long	Pursell	Warwas
Bierman	Gillman	Jacob	Mahamoud	Rarick	West
Bliss	Gomez	Johnson, P.	McDonald	Rehm	Witte
Burkel	Gordon	Johnson, W.	Mekeland	Rehrauer	Wolgamott
Cha	Gottfried	Jones	Moller	Repinski	Xiong
Clardy	Greene	Jordan	Momanyi-Hiltsley	Reyer	Youakim
Coulter	Greenman	Joy	Mueller	Robbins	Zeleznikar
Curran	Hansen, R.	Keeler	Murphy	Rymer	Spk. Demuth
Davids	Hanson, J.	Klevorn	Myers	Schomacker	
Davis	Harder	Knudsen	Nadeau	Scott	

Those who voted in the negative were:

Dippel	Franson	Quam	Roach	Schultz	Van Binsbergen

The bill was passed and its title agreed to.

H. F. No. 1662, A bill for an act relating to veterans; modifying human services data and veterans data provisions; amending Minnesota Statutes 2024, sections 13.461, subdivision 27; 197.065.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Acomb	Bakeberg	Clardy	Elkins	Frazier	Greene
Agbaje	Baker	Coulter	Engen	Frederick	Greenman
Allen	Bennett	Curran	Falconer	Freiberg	Hansen, R.
Altendorf	Berg	Davids	Feist	Gander	Hanson, J.
Anderson, P. E.	Bierman	Davis	Finke	Gillman	Harder
Anderson, P. H.	Bliss	Dippel	Fischer	Gomez	Heintzeman
Backer	Burkel	Dotseth	Fogelman	Gordon	Hemmingsen-Jaeger
Bahner	Cha	Duran	Franson	Gottfried	Her

Hicks	Keeler	Mahamoud	O'Driscoll	Schomacker	Virnig
Hill	Klevorn	McDonald	Olson	Schultz	Warwas
Hollins	Knudsen	Mekeland	Pérez-Vega	Schwartz	West
Hortman	Koegel	Moller	Perryman	Scott	Wiener
Howard	Kotyza-Witthuhn	Momanyi-Hiltsley	Pinto	Sencer-Mura	Witte
Hudson	Kozlowski	Mueller	Pursell	Sexton	Wolgamott
Huot	Koznick	Murphy	Quam	Skraba	Xiong
Hussein	Kraft	Myers	Rarick	Smith	Youakim
Igo	Kresha	Nadeau	Rehm	Stephenson	Zeleznikar
Jacob	Lawrence	Nash	Rehrauer	Stier	Spk. Demuth
Johnson, P.	Lee, F.	Nelson	Repinski	Swedzinski	
Johnson, W.	Lee, K.	Niska	Reyer	Tabke	
Jones	Liebling	Noor	Roach	Torkelson	
Jordan	Lillie	Norris	Robbins	Van Binsbergen	
Joy	Long	Novotny	Rymer	Vang	

The bill was passed and its title agreed to.

H. F. No. 1723, A bill for an act relating to local government; modifying unclassified service and appointment provisions for St. Louis County; removing obsolete county appropriation for historical work in St. Louis County; amending Minnesota Statutes 2024, section 383C.035; repealing Minnesota Statutes 2024, sections 383C.07; 383C.74, subdivisions 1, 2, 3, 4.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Acomb	Duran	Hemmingsen-Jaeger	Koznick	Novotny	Smith
Agbaje	Elkins	Her	Kraft	O'Driscoll	Stephenson
Allen	Engen	Hicks	Kresha	Olson	Stier
Altendorf	Falconer	Hill	Lawrence	Pérez-Vega	Swedzinski
Anderson, P. E.	Feist	Hollins	Lee, F.	Perryman	Tabke
Anderson, P. H.	Finke	Hortman	Lee, K.	Pinto	Torkelson
Backer	Fischer	Howard	Liebling	Pursell	Van Binsbergen
Bahner	Fogelman	Hudson	Lillie	Quam	Vang
Bakeberg	Franson	Huot	Long	Rarick	Virnig
Baker	Frazier	Hussein	Mahamoud	Rehm	Warwas
Bennett	Frederick	Igo	McDonald	Rehrauer	West
Berg	Freiberg	Jacob	Mekeland	Repinski	Wiener
Bierman	Gander	Johnson, P.	Moller	Reyer	Witte
Bliss	Gillman	Johnson, W.	Momanyi-Hiltsley	Roach	Wolgamott
Burkel	Gomez	Jones	Mueller	Robbins	Xiong
Cha	Gordon	Jordan	Murphy	Rymer	Youakim
Clardy	Gottfried	Joy	Myers	Schomacker	Zeleznikar
Coulter	Greene	Keeler	Nadeau	Schultz	Spk. Demuth
Curran	Greenman	Klevorn	Nash	Schwartz	
Davids	Hansen, R.	Knudsen	Nelson	Scott	
Davis	Hanson, J.	Koegel	Niska	Sencer-Mura	
Dippel	Harder	Kotyza-Witthuhn	Noor	Sexton	
Dotseth	Heintzeman	Kozlowski	Norris	Skraba	

The bill was passed and its title agreed to.

H. F. No. 2184, A bill for an act relating to court fees; exempting the Office of Ombudsperson for American Indian Families from court fee requirements; amending Minnesota Statutes 2024, section 357.021, subdivision 1a.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 3 nays as follows:

Those who voted in the affirmative were:

Acomb	Dotseth	Heintzeman	Kotyza-Witthuhn	Noor	Skraba
Agbaje	Duran	Hemmingsen-Jaeger	Kozlowski	Norris	Smith
Allen	Elkins	Her	Koznick	Novotny	Stephenson
Altendorf	Engen	Hicks	Kraft	O'Driscoll	Stier
Anderson, P. E.	Falconer	Hill	Kresha	Olson	Swedzinski
Anderson, P. H.	Feist	Hollins	Lawrence	Pérez-Vega	Tabke
Backer	Finke	Hortman	Lee, F.	Perryman	Torkelson
Bahner	Fischer	Howard	Lee, K.	Pinto	Vang
Bakeberg	Franson	Hudson	Liebling	Pursell	Virnig
Baker	Frazier	Huot	Lillie	Quam	Warwas
Bennett	Frederick	Hussein	Long	Rarick	West
Berg	Freiberg	Igo	Mahamoud	Rehm	Witte
Bierman	Gander	Jacob	McDonald	Rehrauer	Wolgamott
Bliss	Gillman	Johnson, P.	Mekeland	Repinski	Xiong
Burkel	Gomez	Johnson, W.	Moller	Reyer	Youakim
Cha	Gordon	Jones	Momanyi-Hiltsley	Roach	Zeleznikar
Clardy	Gottfried	Jordan	Mueller	Robbins	Spk. Demuth
Coulter	Greene	Joy	Myers	Rymer	
Curran	Greenman	Keeler	Nadeau	Schomacker	
Davids	Hansen, R.	Klevorn	Nash	Scott	
Davis	Hanson, J.	Knudsen	Nelson	Sencer-Mura	
Dippel	Harder	Koegel	Niska	Sexton	

Those who voted in the negative were:

Murphy	Schultz	Van Binsbergen

The bill was passed and its title agreed to.

S. F. No. 1075, A bill for an act relating to transportation; modifying requirements for the exception to window glazing requirements; amending Minnesota Statutes 2024, section 169.71, subdivision 4a.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Acomb	Altendorf	Backer	Baker	Bierman	Cha
Agbaje	Anderson, P. E.	Bahner	Bennett	Bliss	Clardy
Allen	Anderson, P. H.	Bakeberg	Berg	Burkel	Coulter

Curran	Gordon	Johnson, P.	Mahamoud	Pursell	Swedzinski
Davids	Gottfried	Johnson, W.	McDonald	Quam	Tabke
Davis	Greene	Jones	Mekeland	Rarick	Torkelson
Dippel	Greenman	Jordan	Moller	Rehm	Van Binsbergen
Dotseth	Hansen, R.	Joy	Momanyi-Hiltsley	Rehrauer	Vang
Duran	Hanson, J.	Keeler	Mueller	Repinski	Virnig
Elkins	Harder	Klevorn	Murphy	Reyer	Warwas
Engen	Heintzeman	Knudsen	Myers	Roach	West
Falconer	Hemmingsen-Jaeger	Koegel	Nadeau	Robbins	Wiener
Feist	Her	Kotyza-Witthuhn	Nash	Rymer	Witte
Finke	Hicks	Kozlowski	Nelson	Schomacker	Wolgamott
Fischer	Hill	Koznick	Niska	Schultz	Xiong
Fogelman	Hollins	Kraft	Noor	Schwartz	Youakim
Franson	Hortman	Kresha	Norris	Scott	Zeleznikar
Frazier	Howard	Lawrence	Novotny	Sencer-Mura	Spk. Demuth
Frederick	Hudson	Lee, F.	O'Driscoll	Sexton	
Freiberg	Huot	Lee, K.	Olson	Skraba	
Gander	Hussein	Liebling	Pérez-Vega	Smith	
Gillman	Igo	Lillie	Perryman	Stephenson	
Gomez	Jacob	Long	Pinto	Stier	

The bill was passed and its title agreed to.

MOTIONS AND RESOLUTIONS

Heintzeman moved that the name of Schwartz be added as an author on H. F. No. 8. The motion prevailed.

Huot moved that the name of Gillman be added as an author on H. F. No. 97. The motion prevailed.

Heintzeman moved that the name of Robbins be added as an author on H. F. No. 341. The motion prevailed.

Klevorn moved that the name of Coulter be added as an author on H. F. No. 479. The motion prevailed.

Olson moved that the name of Engen be added as an author on H. F. No. 736. The motion prevailed.

Reyer moved that the name of Rehrauer be added as an author on H. F. No. 1066. The motion prevailed.

Elkins moved that the name of Kraft be added as an author on H. F. No. 1140. The motion prevailed.

Perryman moved that the name of Backer be added as an author on H. F. No. 1290. The motion prevailed.

Hollins moved that the name of Liebling be added as an author on H. F. No. 1314. The motion prevailed.

Baker moved that the name of Perryman be added as an author on H. F. No. 1355. The motion prevailed.

Johnson, W., moved that the name of Momanyi-Hiltsley be added as an author on H. F. No. 1376. The motion prevailed.

Kotyza-Witthuhn moved that the name of Johnson, P., be added as an author on H. F. No. 1383. The motion prevailed.

McDonald moved that the name of Pérez-Vega be added as an author on H. F. No. 1426. The motion prevailed.

Hollins moved that the name of Rehrauer be added as an author on H. F. No. 1598. The motion prevailed.

Nadeau moved that the names of Freiberg and Frazier be added as authors on H. F. No. 1740. The motion prevailed.

Klevorn moved that the name of Nash be added as an author on H. F. No. 1837. The motion prevailed.

Rehm moved that the name of Feist be added as an author on H. F. No. 1843. The motion prevailed.

Norris moved that the name of Momanyi-Hiltsley be added as an author on H. F. No. 1978. The motion prevailed.

Hicks moved that the name of Jordan be added as an author on H. F. No. 1984. The motion prevailed.

Igo moved that the name of Mahamoud be added as an author on H. F. No. 1987. The motion prevailed.

Greene moved that the name of Pérez-Vega be added as an author on H. F. No. 2016. The motion prevailed.

Kozlowski moved that the name of Mahamoud be added as an author on H. F. No. 2018. The motion prevailed.

Kraft moved that the name of Mahamoud be added as an author on H. F. No. 2140. The motion prevailed.

Schultz moved that the name of Lee, K., be added as an author on H. F. No. 2147. The motion prevailed.

Bakeberg moved that the name of Kresha be added as an author on H. F. No. 2239. The motion prevailed.

Myers moved that the name of Kraft be added as an author on H. F. No. 2297. The motion prevailed.

Jordan moved that the name of Gottfried be added as an author on H. F. No. 2340. The motion prevailed.

Clardy moved that the name of Fischer be added as an author on H. F. No. 2341. The motion prevailed.

Berg moved that the name of Johnson, P., be added as an author on H. F. No. 2355. The motion prevailed.

Norris moved that the name of Gomez be added as an author on H. F. No. 2381. The motion prevailed.

Lee, K., moved that the name of Virnig be added as an author on H. F. No. 2499. The motion prevailed.

Frederick moved that the name of Pérez-Vega be added as an author on H. F. No. 2587. The motion prevailed.

Coulter moved that the name of Johnson, P., be added as an author on H. F. No. 2617. The motion prevailed.

Backer moved that the names of Knudsen and Gander be added as authors on H. F. No. 2662. The motion prevailed.

Smith moved that the name of Pérez-Vega be added as an author on H. F. No. 2701. The motion prevailed.

Smith moved that the name of Pérez-Vega be added as an author on H. F. No. 2716. The motion prevailed.

Coulter moved that the names of Johnson, P., and Pérez-Vega be added as authors on H. F. No. 2728. The motion prevailed.

Gomez moved that the name of Davids be added as an author on H. F. No. 2768. The motion prevailed.

Hansen, R., moved that the name of Falconer be added as an author on H. F. No. 2770. The motion prevailed.

Reyer moved that the name of Elkins be added as an author on H. F. No. 2779. The motion prevailed.

Klevorn moved that the name of Nash be added as an author on H. F. No. 2783. The motion prevailed.

Acomb moved that the name of Rehrauer be added as an author on H. F. No. 2858. The motion prevailed.

Virnig moved that the name of Rehrauer be added as an author on H. F. No. 2860. The motion prevailed.

Kozlowski moved that the name of Rehrauer be added as an author on H. F. No. 2865. The motion prevailed.

Engen moved that the name of Rehrauer be added as an author on H. F. No. 2881. The motion prevailed.

Robbins moved that the names of Schultz and Hudson be added as authors on H. F. No. 2891. The motion prevailed.

Reyer moved that the name of Myers be added as an author on H. F. No. 2904. The motion prevailed.

Kotyza-Witthuhn moved that the name of Coulter be added as an author on H. F. No. 2908. The motion prevailed.

Hanson, J., moved that the name of Rehrauer be added as an author on H. F. No. 2925. The motion prevailed.

Igo moved that the name of Rehrauer be added as an author on H. F. No. 2934. The motion prevailed.

Warwas moved that the name of Virnig be added as an author on H. F. No. 2944. The motion prevailed.

Norris moved that the name of Rehrauer be added as an author on H. F. No. 2964. The motion prevailed.

Norris moved that the name of Rehrauer be added as an author on H. F. No. 2965. The motion prevailed.

Agbaje moved that the name of Rehrauer be added as an author on H. F. No. 2966. The motion prevailed.

Gomez moved that the name of Pinto be added as an author on H. F. No. 2980. The motion prevailed.

Kraft moved that the name of Rehrauer be added as an author on H. F. No. 2986. The motion prevailed.

Lee, K., moved that the name of Hussein be added as an author on H. F. No. 2993. The motion prevailed.

Fischer moved that the name of Rehrauer be added as an author on H. F. No. 3007. The motion prevailed.

Hill moved that the name of Rehrauer be added as an author on H. F. No. 3008. The motion prevailed.

Fischer moved that the name of Rehrauer be added as an author on H. F. No. 3015. The motion prevailed.

Reyer moved that the name of Rehrauer be added as an author on H. F. No. 3017. The motion prevailed.

Robbins moved that the names of Schultz and Hudson be added as authors on H. F. No. 3043. The motion prevailed.

Long moved that the name of Rehrauer be added as an author on H. F. No. 3057. The motion prevailed.

Kotyza-Witthuhn moved that the name of Rehrauer be added as an author on H. F. No. 3059. The motion prevailed.

Hussein moved that the names of Reyer and Rehrauer be added as authors on H. F. No. 3066. The motion prevailed.

Jordan moved that the name of Rehrauer be added as an author on H. F. No. 3067. The motion prevailed.

Liebling moved that the names of Hansen, R., and Smith be added as authors on H. F. No. 3088. The motion prevailed.

Liebling moved that the name of Hansen, R., be added as an author on H. F. No. 3089. The motion prevailed.

Greenman moved that the name of Rehrauer be added as an author on H. F. No. 3093. The motion prevailed.

Tabke and Bakeberg introduced:

House Resolution No. 2, A House resolution recognizing April 11, 2025, as Shaken Baby Prevention Day in the State of Minnesota.

The resolution was referred to the Committee on Rules and Legislative Administration.

ADJOURNMENT

Niska moved that when the House adjourns today it adjourn until 3:30 p.m., Thursday, April 10, 2025. The motion prevailed.

Niska moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 3:30 p.m., Thursday, April 10, 2025.

PATRICK DUFFY MURPHY, Chief Clerk, House of Representatives