

# Chapter 127

2024 Regular Session

**Subject** Supplemental Appropriations Bill

**Bill** H.F. 5247

**Analyst** House Research Department

**Date** May 29, 2024

## Table of Contents

Article 1: Transportation Appropriations .....	3
Article 2: Trunk Highway Bonds.....	5
Article 3: Transportation Policy .....	5
Article 4: Labor Appropriations.....	20
Article 5: Combative Sports .....	20
Article 6: Construction Codes and Licensing.....	21
Article 7: Bureau of Mediation Services .....	22
Article 8: Public Employee Labor Relations (PELRA).....	22
Article 9: Miscellaneous Labor Provisions .....	25
Article 10: Employee Misclassification Prohibited .....	26
Article 11: Earned Sick and Safe Time Modifications .....	32
Article 12: University of Minnesota Collective Bargaining .....	35
Article 13: Broadband and Pipeline Safety .....	36
Article 14: Housing Appropriations.....	37
Article 15: Housing Policy .....	39
Article 16: Expediting Rental Assistance.....	46
Article 17: Transportation Network Companies.....	47
Article 18: Transfer Care Specialists .....	52
Article 19: Behavior Analyst Licensure .....	55
Article 20: Board of Veterinary Medicine .....	59
Article 21: Board of Dentistry .....	62
Article 22: Physician Assistant Practice.....	63
Article 23: Board of Social Work.....	63
Article 24: Board of Marriage and Family Therapy.....	65
Article 25: Speech-Language Pathology Assistant Licensure.....	66

Article 26: Physician Assistant Licensure Compact.....	69
Article 27: Occupational Therapy Licensure Compact.....	69
Article 28: Physical Therapy Licensure Compact .....	69
Article 29: Licensed Professional Counselor Compact .....	70
Article 30: Audiology and Speech-Language Pathology Compact.....	70
Article 31: Dentist and Dental Hygienist Compact .....	70
Article 32: Social Work Services Licensure Compact .....	70
Article 33: Appropriations.....	70
Article 34: Higher Education Appropriations.....	71
Article 35: Policy Provisions .....	71
Article 36: Firearms.....	81
Article 37: Agriculture Appropriations.....	83
Article 38: Agriculture Policy.....	84
Article 39: Broadband .....	94
Article 40: Climate and Energy Finance .....	95
Article 41: Renewable Development Account Appropriations.....	95
Article 42: Energy Policy .....	95
Article 43: Minnesota Energy Infrastructure Permitting Act.....	101
Article 44: Certificates of Need.....	102
Article 45: Conforming Changes .....	103
Article 46: Disability Services .....	104
Article 47: Aging Services.....	114
Article 48: Substance Use Disorder Services .....	120
Article 49: Priority Admissions and Civil Commitment.....	126
Article 50: Direct Care and Treatment.....	131
Article 51: Miscellaneous.....	142
Article 52: Human Services Response Contingency Account .....	145
Article 53: Appropriations.....	146
Article 54: Department of Human Services Health Care Finance.....	147
Article 55: Department of Human Services Health Care Policy.....	152
Article 56: Health Care .....	155
Article 57: Health Insurance .....	158
Article 58: Department of Health Finance.....	177

Article 59: Department of Health Policy.....	191
Article 60: Pharmacy Board and Practice .....	203
Article 61: Behavioral Health .....	210
Article 62: Department of Human Services Policy.....	215
Article 63: Office of Emergency Medical Services .....	223
Article 64: Emergency Medical Services Conforming Changes .....	230
Article 65: Ambulance Service Personnel and Emergency Medical Responders .....	232
Article 66: Miscellaneous.....	236
Article 67: Appropriations.....	240
Article 68: Individual Income Taxes .....	240
Article 69: Minerals Taxes.....	242
Article 70: Tax-Forfeited Property .....	245
Article 71: Miscellaneous Tax Provisions.....	248
Article 72: Employee Compensation .....	250
Article 73: Paid Leave.....	251

## Article 1: Transportation Appropriations

This article makes transportation-related supplemental appropriations and appropriation-related modifications for the FY 2024-2025 biennium, primarily to make additional fiscal year (FY) 2025 appropriations and provide for reallocation of some prior appropriations.

### Section Description – Article 1: Transportation Appropriations

---

- |   |   |
|---|---|
| 1 | <p><b>Transportation appropriations.</b></p> <p>Sets out the appropriations article structure and defines terms. Establishes that appropriations are from the trunk highway fund unless another is named.</p> |
| 2 | <p><b>Department of Transportation.</b></p> <p>Makes various supplemental appropriations in FY 2025 to the Minnesota Department of Transportation (MnDOT).</p>  |
| 3 | <p><b>Metropolitan Council.</b></p> <p>Makes an appropriation in FY 2025 to the Metropolitan Council for a Blue Line light rail transit antidisplacement program.</p>   |

**Section Description – Article 1: Transportation Appropriations**

---

- 4        **Department of Public Safety.**  
Makes various supplemental appropriations in FY 2025 to the Department of Public Safety (DPS).
- 5        **Appropriation; Department of Transportation.**  
Makes an appropriation in FY 2024 to MnDOT for trunk highway and local road projects (in an amount that matches an appropriation that is due to cancel in FY 2025).
- 6        **Appropriations; Department of Administration.**  
Makes various supplemental appropriations in FY 2025 to the Department of Administration.
- 7        **Appropriation; Department of Commerce.**  
Makes an appropriation in FY 2025 to the Department of Commerce for environmental review relating to placement of high voltage transmission lines along trunk highways.
- 8        **Appropriation cancellations; Department of Transportation.**  
Paragraph (a) cancels \$11 million from a prior appropriation from the general fund in fiscal year 2024 for Infrastructure Investment and Jobs Act (IIJA) discretionary matches. Paragraph (b) cancels \$15.56 million from a prior appropriation for trunk highway and local road projects (in an amount that matches an appropriation made in this article for the same purposes). Effective May 25, 2024.
- 9        **Transfer.**  
Transfers \$11.35 million from the general fund to the small cities assistance account for distribution under the Small Cities Assistance program in the July 2024 payment.
- 10       **Multimodal systems. [2021 session law]**  
Establishes that a prior appropriation for a grant to the city of Karlstad is for Phase 1 of an airport project.
- 11       **Transit system operations. [2023 session law]**  
Reduces a prior appropriation for the Blue Line light rail transit extension project (which is in an amount that matches an appropriation made in this article for a Blue Line light rail transit antidisplacement program).
- 12       **State Patrol. [2023 session law]**  
Allows for any balance in FY 2024-25 appropriations for Capitol Security to be used for other DPS operating costs. Effective May 25, 2024.

**Section Description – Article 1: Transportation Appropriations**

---

- 13      **Transfers. [2023 session law]**  
Reduces a FY 2025 transfer as well as base transfer from the general fund to the active transportation account.

## **Article 2: Trunk Highway Bonds**

This article authorizes a total of \$30.03 million in trunk highway bonds and appropriates the bond sale proceeds to MnDOT for the Corridors of Commerce program and general state road construction.

**Section Description – Article 2: Trunk Highway Bonds**

---

- 1      **Bond appropriations.**  
Provides for bond proceeds appropriations and a summary.
- 2      **Department of Transportation.**  
Appropriates trunk highway bond proceeds to MnDOT as follows:
- \$15 million for the corridors of commerce program; and
  - \$15 million for state road construction.
- 3      **Bond sale expenses.**  
Appropriates \$30,000 to the Department of Management and Budget for expenses in selling the trunk highway bonds.
- 4      **Bond sale authorization.**  
Authorizes sale of trunk highway bonds to fund the appropriations in this article.

## **Article 3: Transportation Policy**

This article contains a variety of transportation finance and policy provisions.

**Section Description – Article 3: Transportation Policy**

---

- 1      **Traffic safety camera data.**  
Makes a technical change, to establish a cross-reference.

**Section Description – Article 3: Transportation Policy**

---

- 2        **Definitions.**  
Establishes that traffic safety cameras are not considered a type of automated license plate reader.
- 3        **Limitations; certain camera systems.**  
Prohibits using a traffic safety camera for automated license plate reader purposes.
- 4        **[Adds § 16B.356] Definitions.**  
Defines terms for sections related to the Minnesota Advisory Council on Infrastructure.
- 5        **[Adds § 16B.357] Minnesota Advisory Council on Infrastructure.**  
Establishes the Minnesota Advisory Council on Infrastructure, including to specify voting and nonvoting membership and appointments, identify member qualifications, provide for delegation, and set various administrative requirements.
- 6        **[Adds § 16B.358] Powers; responsibilities and duties.**  
Sets out general scope of powers as well as direction for activities of the Minnesota Advisory Council on Infrastructure.
- 7        **[Adds § 16B.359] Personnel.**  
Provides for Minnesota Advisory Council on Infrastructure staffing.
- 8        **Training required.**  
Broadens required training by school districts on active transportation safety, to address electric-assisted bicycle safety.
- 9        **Petty misdemeanor cases and criminal convictions; fee assessment.**  
Prevents imposition of a law library fee in Hennepin or Ramsey County for a speeding or traffic-control signal violation citation under the traffic safety camera pilot program.
- 10       **Petty misdemeanor cases and criminal convictions; fee assessment.**  
Prevents imposition of a law library fee for a speeding or traffic-control signal violation citation under the traffic safety camera pilot program.
- 11       **Report on dedicated funds expenditures.**  
Broadens the information required in a biennial report from MnDOT on expenditures from the trunk highway fund and the highway user tax distribution fund.

**Section Description – Article 3: Transportation Policy**

---

- 12 **[Adds § 161.1258] Rumble strips.**  
Directs MnDOT to establish in-road rumble strips at some locations on the trunk highway system. Sets an implementation timeline. Effective August 1, 2024.
- 13 **Gopher Gunners Memorial Bridge.**  
Designates a bridge on Trunk Highways 55 and 62 over the Mississippi River as the “Gopher Gunners Memorial Bridge.”
- 14 **Transportation greenhouse gas emissions impact assessment.**  
Revises and broadens requirements on assessment of trunk highway projects for impacts on greenhouse gas emissions and vehicle miles traveled, including to provide for a shift to portfolio-based assessments. Effective February 1, 2025.
- 15 **[Adds § 161.1782] Transportation impact assessment; technical advisory committee.**  
Establishes a technical advisory committee to assist in the transportation greenhouse gas emissions impact assessment process. Effective May 25, 2024.
- 16 **Report.**  
Broadens the information required in an annual legislative report from MnDOT on use of some contracts for some types of trunk highway maintenance and other transportation work.
- 17 **High voltage transmission; placement in right-of-way.**  
Explicitly authorizes establishment of high-voltage transmission lines within trunk highway right-of-way. Effective May 25, 2024.
- 18 **High voltage transmission; coordination required.**  
Directs MnDOT to coordinate on transmission line placement. Effective May 25, 2024.
- 19 **High voltage transmission; constructability report; advance notice.**  
Requires reporting on a potential route for transmission line collocation on a trunk highway corridor. Provides for relocation costs in some circumstances. Effective May 25, 2024.
- 20 **High voltage transmission; relocation reimbursement prohibited.**  
Sets restrictions on high voltage transmission line relocation reimbursement from the trunk highway fund for costs resulting from trunk highway projects and provides for cost recovery by utilities. Effective May 25, 2024.

**Section Description – Article 3: Transportation Policy**

---

- 21     **Definitions.**  
Adds a definition of “high voltage transmission line” for a statute on utility relocation costs.
- 22     **Relocation of facilities; reimbursement.**  
Removes a restriction on high voltage transmission line relocation reimbursement from the trunk highway fund. Makes technical changes.
- 23     **Location and establishment; limitations.**  
Prohibits the county state-aid highway system from including a segment of a county highway that is designated as a pedestrian mall.
- 24     **Formula for distribution to towns; purposes.**  
Explicitly allows funds provided from the town road account to be used for debt service on local bonds.
- 25     **Location and establishment; limitations.**  
Prohibits the municipal state-aid street system from including a segment of a city street that is designated as a pedestrian mall.
- 26     **Use of funds. [Small Cities Assistance program]**  
Explicitly allows funds provided under the Small Cities Assistance program to be used for debt service on local bonds.
- 27     **Use of funds. [Larger cities assistance account]**  
Sets requirements and limitations on use of funds distributed from the larger cities assistance account. Establishes exemptions from state-aid requirements.
- 28     **Display of temporary permit.**  
Makes conforming and technical changes, including to remove obsolete language.
- 29     **60-day temporary vehicle permit.**  
Extends the valid period, from 21 to 60 days, for a temporary permit for vehicle operation that can be issued to the buyer of a new motor vehicle. Effective October 1, 2024.
- 30     **Minnesota professional sports team philanthropy plates.**  
Modifies requirements related to Minnesota professional sport team philanthropy plates, including to allow for designation of some donations to go to the Minnesota Loon Restoration Project, provide for plate design, and revise the name for the special plates. Effective October 1, 2024.



**Section Description – Article 3: Transportation Policy**

---

- 31 **Fleet vehicles; registration; fee.**  
Authorizes deputy registrars to handle some registration activities for vehicles in a registered fleet. Makes technical changes. Effective October 1, 2024.
- 32 **[Adds § 168.1283] Rotary International plates.**  
Establishes a Rotary International special license plate and provides for plate requirements, eligibility, donations, design, and transfer. Effective January 1, 2025.
- 33 **Replacement plates.**  
Provides for auto dealer application for replacement plates in conjunction with a new vehicle title. Effective October 1, 2024.
- 34 **Late fee.**  
Makes a conforming change.
- 35 **Competitive bidding.**  
Sets requirements when a deputy registrar closes an office location, including to mandate a competitive bidding process for a replacement office and to require administrative rules. Effective October 1, 2025.
- 36 **Application for new certificate.**  
Extends the deadline, from ten to 20 calendar days, for submission of a title or title transfer application following the sale of a motor vehicle. Effective October 1, 2024.
- 37 **Requirements upon subsequent transfer; service fee.**  
Makes a conforming change.
- 38 **Notification on vehicle held for resale; service fee.**  
Requires license plate removal from a Minnesota-titled vehicle acquired by a dealer. Effective October 1, 2024.
- 39 **Towing prohibited.**  
Disallows towing a vehicle only on the basis of a citation issued under the traffic safety camera pilot program.
- 40 **Electric-assisted bicycle.**  
Modifies the definition of an electric-assisted bicycle in the chapter of state statutes governing traffic regulations.

**Section Description – Article 3: Transportation Policy**

---

- 41      **Multiple mode electric-assisted bicycle.**  
Defines a “multiple mode electric-assisted bicycle” in the chapter of state statutes governing traffic regulations.
- 42      **Red light camera system.**  
Defines “red light camera system” in the chapter of state statutes governing traffic regulations.
- 43      **Speed safety camera system.**  
Defines “speed safety camera system” in the chapter of state statutes governing traffic regulations.
- 44      **Traffic safety camera system.**  
Defines “traffic safety camera system” in the chapter of state statutes governing traffic regulations, to be a red light camera system, a speed safety camera system, or both used in combination.
- 45      **Vulnerable road user.**  
Defines “vulnerable road user” in the chapter of state statutes governing traffic regulations.
- 46      **Local authority.**  
Provides explicit temporary authority for local units of government to perform traffic regulation under the traffic safety camera pilot program authorization.
- 47      **Red light camera; penalty.**  
Establishes a petty misdemeanor offense and provides penalties for the owner or lessee of a vehicle that is identified through a traffic safety camera as violating a traffic-control signal.
- 48      **Red light camera; limitations.**  
Specifies circumstances when the vehicle owner or lessee is not subject to citation for a traffic-signal violation as identified by a traffic safety camera.
- 49      **Radar; speed-measuring device; standards of evidence.**  
Limits use of speed safety camera system evidence. Makes conforming changes.
- 50      **Speed safety camera; penalty.**  
Establishes a petty misdemeanor offense and provides penalties for the owner or lessee of a vehicle that is identified through a speed safety camera as violating the speed limit.

**Section Description – Article 3: Transportation Policy**

---

- 51      **Speed safety camera; limitations.**  
Specifies circumstances when the vehicle owner or lessee is not subject to citation for a speeding violation as identified by a speed safety camera.
- 52      **[Adds § 169.147] Traffic safety camera system pilot program.**  
Authorizes implementation of a pilot program for red light as well as speed safety camera systems. Sets various pilot program requirements, including to authorize the camera systems from August 1, 2025, to July 31, 2029; require a pilot project for trunk highway work zones; limit the implementing authorities to MnDOT and DPS as well as the cities of Minneapolis and Mendota Heights; require public engagement and notification activities; limit traffic safety camera locations; provide for warnings and citations; specify use of fine revenue; and provide for data practices.
- 53      **Impeding motorcycle.**  
Prohibits a motorist from impeding a motorcycle that is operated between traffic lanes (as authorized elsewhere in this article).
- 54      **Driver education; vulnerable road users.**  
Broadens driver education curriculum rulemaking requirements of DPS to address additional considerations related to vulnerable road users.
- 55      **Manner and number riding.**  
Makes technical changes, to clarify bicycle operating requirements with other riders.
- 56      **Electric-assisted bicycle; riding rules.**  
Establishes that multiple mode e-bikes can be operated on bicycle paths and trails, unless prohibited.
- 57      **Electric-assisted bicycle; equipment.**  
Revises labeling and operating equipment and capability requirements for e-bikes.
- 58      **Headlight requirement.**  
Makes a conforming change.
- 59      **Disability parking space signs.**  
Requires a revised design for disability parking signs and provides for sign installation. Effective May 25, 2024.
- 60      **[Adds § 169.515] Lights On grant program.**  
Creates a Lights On grant program for vouchers that are provided to vehicle operators to replace or repair malfunctioning motor vehicle lights, including to set a

**Section Description – Article 3: Transportation Policy**

---

- \$250 voucher maximum, establish program eligibility, identify prioritization for grants, limit voucher distribution, and require an annual report.
- 61     **Driving rules.**  
Allows motorcyclists in some circumstances pass another vehicle within the same traffic lane or between two parallel traffic lanes proceeding in the same direction. Effective July 1, 2025.
- 62     **Form.**  
Makes a conforming change.
- 63     **Residence address and permanent mailing address.**  
Defines “residence address” and “permanent mailing address” for the chapter of state statutes governing drivers’ licenses and Minnesota identification cards. Effective October 1, 2024.
- 64     **Temporary mailing address.**  
Defines “temporary mailing address” for the chapter of state statutes governing drivers’ licenses and Minnesota identification cards. Effective October 1, 2024.
- 65     **Contents of application; other information.**  
Authorizes the designation of a temporary mailing address for driver’s license and Minnesota identification card applications. Effective October 1, 2024.
- 66     **Information for applicants.**  
Directs DPS to provide information on use of temporary mailing addresses. Effective October 1, 2024.
- 67     **Competitive bidding.**  
Sets requirements when a driver’s license agent closes an office location, including to mandate a competitive bidding process for a replacement office and to require administrative rules. Effective October 1, 2025.
- 68     **Driver’s manual; vulnerable road users.**  
Broadens direction to DPS on information to include in the driver’s manual, to specify traffic laws related to vulnerable road users. Effective May 25, 2024, for editions of the manual published after that date.
- 69     **Driving record; traffic safety camera system.**  
Prohibits DPS from recording a speeding or traffic-signal violation citation identified through a traffic safety camera on a person’s driving record.

**Section Description – Article 3: Transportation Policy**

---

- 70      **Online driver's license knowledge testing authorization.**  
Authorizes third-party proctors to administer fourth or subsequent knowledge examinations for a driver's license.
- 71      **Failure to pay fine.**  
Prohibits driver's license suspension for failure to pay a fine for a speeding or traffic-signal violation identified through a traffic safety camera.
- 72      **Fees prohibited.**  
Clarifies that DPS must not impose a reinstatement fee to issue a reintegration license. Effective May 25, 2024.
- 73      **Issuance of regular driver's license.**  
Establishes forgiveness of reinstatement fees for a suspended license after a person has obtained a reintegration license and met certain requirements. Effective May 25, 2024.
- 74      **Tribal worksite training program.**  
Directs MnDOT to create a Tribal worksite training program for state-funded construction projects.
- 75      **Required analysis. [Pavement lifecycle cost analysis]**  
Makes technical changes.
- 76      **Review and collaboration. [Pavement lifecycle cost analysis]**  
Broadens MnDOT's pavement lifecycle cost analysis requirements to provide for questions, comments, and a revision period. Effective July 1, 2025.
- 77      **Selection. [Pavement lifecycle cost analysis]**  
Sets additional documentation and review requirements as part of MnDOT's pavement lifecycle cost analysis. Effective July 1, 2025.
- 78      **Report. [Pavement lifecycle cost analysis]**  
Revises information required in an annual legislative report on pavement lifecycle cost analysis. Effective July 1, 2025.
- 79      **Safe routes to school accounts.**  
Makes a technical change, to shift an account to be in the special revenue fund.

**Section Description – Article 3: Transportation Policy**

---

- 80     **Metropolitan counties; use of funds.**  
Explicitly allows funds distributed to counties from the transportation advancement account to be used for debt service on local bonds.
- 81     **Passenger rail account; transfers; appropriation.**  
Requires an annual legislative report on funds in the passenger rail account. Makes conforming and clarifying changes. Effective May 25, 2024.
- 82     **Fee and revenue collection authorized.**  
Authorizes MnDOT to provide for fee and revenue collection related to passenger rail service. Effective May 25, 2024.
- 83     **Definitions. [Complete streets]**  
Defines a term in the complete streets statute, by cross-reference.
- 84     **Implementation. [Complete streets]**  
Specifies additional elements that MnDOT must include in their complete streets policy.
- 85     **Implementation guidance. [Complete streets]**  
Directs MnDOT to maintain guidance on the department’s complete streets policy. Specifies analysis to incorporate in it.
- 86     **Policy.**  
Modifies a policy statement on electric power facility locations to explicitly identify high voltage transmission lines. Effective May 25, 2024.
- 87     **Railroad company assessment; account; appropriation.**  
Makes a conforming change, to amend uses of funds in the state rail safety inspection account.
- 88     **[Adds § 219.756] Yardmaster hours of service.**  
Sets limits for on-duty hours of some railroad employees who supervise and coordinate train activity in a railyard.
- 89     **Motor carrier of railroad employees; requirements.**  
Increases the minimum automobile insurance required of a motor carrier of railroad employees, from \$1 million to \$2 million in uninsured and underinsured coverage. Effective August 1, 2024.

**Section Description – Article 3: Transportation Policy**

---

- 90      **Inspection and investigation authority.**  
Provides for complaint-initiated investigation of motor carriers of railroad employees. Effective August 1, 2024.
- 91      **Civil penalty.**  
Sets a schedule of penalties for a violation of motor carrier of railroad employee requirements and provides for enforcement. Effective August 1, 2024.
- 92      **Motor vehicle lease sales tax revenue.**  
Changes the deposit account and establishes a statutory appropriation for motor vehicle leasing sales tax revenue that is directed to local bridges.
- 93      **Uses reporting. [County transportation sales tax]**  
Broadens the information required in a biennial legislative report on uses of county transportation sales tax revenue.
- 94      **Responsibilities.**  
For a temporary period, directs Capitol Security to provide emergency assistance and security escorts at locations within the Capitol Area, when requested by a state constitutional officer.
- 95      **[Adds § 325F.661] Sale of electric-assisted bicycles and powered cycles.**  
Regulates sale and some advertising of electric-assisted bicycles and electric cycles.
- 96      **Surcharges on criminal and traffic offenders.**  
Prevents a court surcharge on citations issued under the traffic safety camera pilot program.
- 97      **[Adds § 430.001] Definitions.**  
Defines various terms for a chapter of state statutes governing local land used for streets and parks.
- 98      **Parking lots; pedestrian malls and uses.**  
Broadens authority on designation of land for parking lots and pedestrian uses to apply to all cities instead of just cities of the first class, and to allow for pedestrian uses in any city property.
- 99      **Legislative findings.**  
Broadens a legislative findings provision related to pedestrian malls.

**Section Description – Article 3: Transportation Policy**

---

- 100     **Statement of policy.**  
Makes conforming changes in a state policy statement provision.
- 101     **Pedestrian mall ordinances authorized.**  
Broadens authority of a city to designate, by ordinance, a pedestrian mall on property within city right-of-way under specified circumstances. Sets conditions and limitations on pedestrian mall locations.
- 102     **When clerk to mail notice in condemnation proceeding.**  
Broadens condemnation notice requirements to all cities.
- 103     **Limitation of actions.**  
Makes a conforming change.
- 104     **Bonded debt.**  
Broadens a chapter of state statutes on local land used for streets and parks to apply to all cities, instead of just cities of the first class. Removes a definition of “city council,” which is reproduced in a chapter-wide definitions section established in this article.
- 105     **Transportation financial review.**  
Directs the Metropolitan Council to submit annual financial reviews to the legislature that provides various fiscal details about the transportation area of the council’s budget and financials. Effective May 25, 2024.
- 106     **Zero-emission and electric transit vehicles.**  
Amends and broadens requirements for Metropolitan Council planning on transitioning to zero-emission transit vehicles. Effective May 25, 2024.
- 107     **Light rail transit construction; council authority; staff assistance; project manager qualifications.**  
Broadens requirements on MnDOT assistance and recommendations to the Metropolitan Council on light rail transit projects. Limits the sources of funds that can be used by the council for capital construction costs of light rail transit projects. Effective May 25, 2024.
- 108     **Bus rapid transit project scope; infrastructure.**  
Requires the Metropolitan Council to include specified elements in bus rapid transit (BRT) projects, which are related to some types of transit improvements and Americans with Disabilities Act (ADA) compliance for some pedestrian facilities.



**Section Description – Article 3: Transportation Policy**

---

- Provides for cost allocation. Effective for bus rapid transit projects that first commence construction on or after May 25, 2024.
- 109     **Standards established.**  
Makes technical changes, to remove obsolete dates.
- 110     **Report required; cleaning standards and expenditures.**  
Modifies legislative report requirements on cleaning and repair for Metro Transit vehicles and property, including to make the report due annually.
- 111     **Use of funds; metropolitan counties; reporting.**  
Directs metropolitan counties to provide a biennial legislative report related to regional transportation sales tax revenue and uses.
- 112     **Transit operating reserves; report.**  
Modifies the timing and period for an annual legislative report on transit provider operating reserves. Effective May 25, 2024.
- 113     **Uniform collections policies and procedures; limitations.**  
Disallows court use of collections procedures for a single violation under the traffic safety camera pilot program.
- 114     **Additional deputy registrar of motor vehicles for Ramsey County. [2023 session law]**  
Authorizes driver’s license agent services at or near the Hmong Village shopping center in St. Paul, converting the location into a full-service office. Effective May 25, 2024.
- 115     **Legislative report; speed safety cameras. [2023 session law]**  
Modifies requirements for a legislative report mandated in 2023 legislation, including to extend the due date, identify additional information to address, and reference activities under the traffic safety camera pilot program. Effective May 25, 2024.
- 116     **Traffic safety camera systems; evaluation and reporting.**  
Provides for an independent evaluation of traffic safety camera systems and the traffic safety camera pilot program. Specifies aspects of the evaluation. Requires a legislative report.
- 117     **Report; work zone safety pilot project results.**  
Requires a legislative report on the work zone safety pilot project mandated in conjunction with the traffic safety camera pilot program. Specifies report contents.

**Section Description – Article 3: Transportation Policy**

---

- 118     **Antidisplacement Community Prosperity Program Board.**  
Establishes a board to administer an antidisplacement community prosperity program, including to provide for board membership, specify duties, set requirements for bylaws, specify administrative provisions, and set an expiration of June 30, 2030. Effective May 25, 2024.
- 119     **Blue Line light rail transit extension antidisplacement community prosperity program.**  
Establishes an antidisplacement community prosperity program to allocate funds for specified community support purposes along the Blue Line light rail transit corridor, under administration by the Antidisplacement Community Prosperity Program Board established in section 118 of this article. Requires legislative reporting. Sets an expiration of June 30, 2030. Effective May 25, 2024.
- 120     **Community roadside landscape partnerships.**  
Specifies program expansion considerations for MnDOT’s community roadside landscape partnership program.
- 121     **Minnesota Advisory Council on Infrastructure implementation activities.**  
Provides for initial implementation of the Minnesota Advisory Council on Infrastructure.
- 122     **Public education campaign; motorcycle operations.**  
Directs DPS to undertake a public education campaign on shared and between lane passing by motorcycles.
- 123     **Driver and vehicle services; materials in language other than English.**  
Directs DPS to produce some driver and vehicle-related materials in languages in addition to English.
- 124     **Study; dynamic transportation options; Greater Minnesota transit plan; report.**  
Directs MnDOT to conduct a study on access to various flexible transportation services in rural areas. Specifies analysis elements, requires stakeholder consultation, requires a proposal for a pilot program, and mandates a legislative report. Effective May 25, 2024.
- 125     **Study; Metro Mobility enhancements; report.**  
Directs MnDOT to conduct a study on improvements to the Metro Mobility program. Specifies elements to include and requires a legislative report.

**Section Description – Article 3: Transportation Policy**

---

- 126     **Study; highway designation review committee.**  
Directs MnDOT to study potential establishment of a standing committee responsible for reviewing and approving proposals for memorial highway and bridge designations. Specifies elements to include. Effective May 25, 2024.
- 127     **Study; electric-assisted bicycle youth operation.**  
Directs MnDOT and DPS to conduct a study on youth operation of electric-assisted bicycles. Specifies elements to include and requires a legislative report. Effective May 25, 2024.
- 128     **Study; deputy registrar and driver’s license agent locations competitive bidding.**  
Directs DPS to conduct a study on an open bidding process for deputy registrar and driver’s license agent office locations following a closure. Specifies elements to include and requires a legislative report.
- 129     **Study; wayside detectors.**  
Directs MnDOT to conduct a study on wayside detector systems that monitor passing trains for some types of equipment defects. Specifies elements to include and requires a legislative report. Effective May 25, 2024.
- 130     **Study; commercial driver workforce.**  
Directs MnDOT and DPS to conduct a study on commercial motor vehicle driver shortages. Specifies elements to include, requires consultation, and requires a legislative report. Effective May 25, 2024.
- 131     **Study; special license plate review committee.**  
Directs DPS to study the potential establishment of a standing committee responsible for reviewing and approving proposals for special license plates. Specifies study elements to include. Effective May 25, 2024.
- 132     **Revisor instruction.**  
Makes technical changes, to move subdivisions.
- 133     **Repealer.**  
Repeals a special plate provision (which is made obsolete by the Rotary International special plate established in this article).

## Article 4: Labor Appropriations

Modifies and makes appropriations to the Department of Labor and Industry (DLI), Bureau of Mediation Services (BMS), Department of Health (MDH), Department of Employment and Economic Development (DEED), Public Utilities Commission (PUC), Department of Revenue, and the attorney general for fiscal year 2025. See fiscal spreadsheet details.

## Article 5: Combative Sports

Makes a variety of policy and technical changes to the regulation of combative sports. Takes effect July 1, 2024, by law.

### Section Description – Article 5: Combative Sports

---

- 1 **Rules.**  
Adds the Unified Rules of Muay Thai to the list of rules incorporated into the chapter of law regulating combative sports. Allows a promoter to hold a kickboxing event governed by a different set of kickboxing rules if approved by the DLI commissioner.
- 2 **Regulatory authority; martial arts and amateur boxing.**  
Makes a conforming change allowing exceptions from combative sports regulations for youth competitions.
- 3 **Regulatory authority; youth competition.**  
Exempts combative sports and martial arts contests for minors from state regulation on combative sports provided that the contest is regulated by a local government or a widely recognized organization that regularly oversees youth competition.
- 4 **Jurisdiction of commissioner.**  
Removes convenience and necessity from the list of qualities that may warrant issuance of a combative sports license.
- 5 **Prelicensure requirements.**  
Requires as a precondition for licensure as an amateur combatant that an individual document six months of training in a combative sport or provide a letter of recommendation from a trainer or coach. Requires as a precondition for licensure as a professional combatant that an individual document participation in at least four sanctioned combative sports contests or evidence of sufficient skill and experience.
- 6 **Fee schedule.**  
Provides a structure for paying the combative sports event fee for combative sports contests in which promoters do not sell tickets but receive a flat payment for administration.

**Section Description – Article 5: Combative Sports**

---

- 7      **Medical records.**  
Allows the DLI commissioner to provide a combatant’s medical information to a physician involved in a combative sports contest.
- 8      **Data privacy.**  
Makes combative sports health records under chapter 341 private data on individuals.
- 9      **Civil penalties.**  
Expands the list of statutes the DLI commissioner may penalize a person for violating to include the regulations this bill would apply to youth competitions.

**Article 6: Construction Codes and Licensing**

Modifies construction codes and licensing provisions. Section 1 requires the DLI commissioner to adopt a residential energy code at least as efficient as specified, with the goal of reducing annual net energy consumption by 70 percent by 2038. Section 2 increases the payment limit available from the contractor recovery fund.

**Section Description – Article 6: Construction Codes and Licensing**

---

- 1      **Adoption of code.**  
Requires the DLI commissioner to adopt each new published edition of the International Energy Conservation Code, beginning in 2026. Requires the 2038 residential energy code to achieve a 70 percent reduction in annual net energy consumption reduction using the 2006 International Energy Conservation Code State Level Residential Codes Energy Use Index for Minnesota as a baseline. Requires annual reporting by the DLI commissioner to the legislature on progress towards these goals.  
  
Takes effect July 1, 2024, by law.
- 2      **Payment limitations.**  
Increases the maximum payment to a homeowner or lessee from the contractor recovery fund from \$75,000 to \$100,000 per licensee.  
  
Effective July 1, 2024.

## Article 7: Bureau of Mediation Services

Requires the Bureau of Mediation Services (BMS) to pay for peace officer grievance arbitrator required training and repeals the Labor Management-Committee Grant Program laws and rules.

Section	Description – Article 7: Bureau of Mediation Services
---------	---

- |   |  |
|---|--|
| 1 | <p><b>Training.</b></p> <p>Removes obsolete language. Requires BMS to pay for the required training for peace officer grievance arbitrators.</p> <p>Effective May 25, 2024.</p>  |
| 2 | <p><b>Repealer.</b></p> <p>Repeals sections 179.81 to 179.85 and related rules for the Labor Management-Committee Grant Program, consistent with modification to the BMS appropriation in article 4, which is retroactive to July 1, 2023.</p> |

## Article 8: Public Employee Labor Relations (PELRA)

Makes several technical and policy changes to chapter 179A, the Public Employment Labor Relations Act, to modernize language and provide additional clarity and organization. Takes effect July 1, 2024, by law.

Section	Description – Article 8: Public Employee Labor Relations (PELRA)
---------	--

- |   |   |
|---|---|
| 1 | <p><b>Access by labor organizations, Bureau of Mediation Services, Public Employment Relations Board.</b></p> <p>Specifies that personnel data must be disseminated to specified entities upon request of an exclusive representative for the purposes of PELRA and private labor relations provisions under chapter 179.</p> |
| 2 | <p><b>Public employee or employee.</b></p> <p>Modifies definition of “public employee” for purposes of PELRA, including changes to reflect modifications to collective bargaining for University of Minnesota employees consistent with article 12.</p>   |
| 3 | <p><b>Teacher.</b></p> <p>Modifies definition of “teacher” for purposes of PELRA.</p>   |

**Section Description – Article 8: Public Employee Labor Relations (PELRA)**

---

- 4      **Alternate members.**  
Requires appointment of an alternate member to serve at a Public Employment Relations Board meeting for an unavailable member or for a member conflict.
- 5      **Open Meeting Law; exceptions.**  
Makes nonsubstantive technical changes to the Open Meeting Law.
- 6      **Payroll deduction, authorization, and remittance.**  
Makes technical changes and modernizes language and process for authorizing and remitting payroll deductions, including indemnification of public employers. Allows a public employee to request a deduction to an organization of the employee’s choice if the employee’s position is not represented.
- 7      **Bargaining unit information.**  
Technical language changes to bargaining unit information under PELRA. Requires employer to include reason for separation or transfer when notifying employer’s exclusive representative.
- 8      **Access.**  
Provides access for exclusive representative meetings and communications and allows the exclusive representative to designate an agent.
- 9      **Unit mergers.**  
Requires the commissioner to designate a single unit from two bargaining units on request of an exclusive representative.
- 10     **Position classifications.**  
Provides that a unit determination for a new position and whether it should be in an existing bargaining unit must be based on assigned duties and without regard to title or telework status.
- 11     **State employees.**  
Makes purely technical changes to section addressing state employees bargaining units.
- 12     **Majority verification procedure.**  
Eliminates dated representative authorization signatures from majority verification procedure and makes clarifying and technical language changes to the section.

**Section Description – Article 8: Public Employee Labor Relations (PELRA)**

---

- 13      **Commissioner to investigate.**  
Directs the BMS commissioner to investigate or hold hearings as necessary upon a petition for certification or majority verification.
- 14      **Authorization signatures.**  
Makes nonsubstantive technical changes to the section requiring dated authorization signatures for determining the number of employees of an employee organization.
- 15      **Unfair labor practices.**  
Requires BMS commissioner to void an election result or majority verification procedure or order a new election when there is a finding that an unfair labor practice affected the result or of procedural irregularities.
- 16      **Actions.**  
Requires a hearing within 30 days of service of an unfair labor practices complaint unless the parties mutually agree otherwise.
- 17      **Employers.**  
Adds to list of practices that constitute an unfair labor practice by a public employer.
- 18      **Units.**  
Modifies appropriate units for the Hennepin Healthcare System, Inc.
- 19      **Collective bargaining agreements.**  
Allows MMB to enter into and implement agreements with the exclusive representative of individual care providers of direct support services and eliminates requirement to submit collective bargaining agreements to the legislature, except for provisions that require, and are contingent on, an appropriation, state law change, or federal government approval.
- 20      **Rulemaking.**  
Requires BMS commissioner to adopt rules on petitions for majority verification using expedited rulemaking.
- 21      **Revisor instruction.**  
Provides technical numbering instruction to the revisor.



## Article 9: Miscellaneous Labor Provisions

Contains miscellaneous labor provisions related to prevailing wage requirements, personnel records, and workplace blood lead standards.

### Section Description – Article 9: Miscellaneous Labor Provisions

---

- 1 Definitions.**

Modifies the definition of “financial assistance” in section 116J.871 to apply prevailing wage requirements to low-income housing credit allocations used for multifamily housing projects of more than 10 units.

Effective for tax credits provided on or after January 1, 2025.
- 2 Prevailing wage required.**

Makes conforming language change to include “allocating agency.”

Takes effect July 1, 2024, by law.
- 3 Notification.**

Makes conforming language to include “allocating agency.”

Takes effect July 1, 2024, by law.
- 4 Employer.**

Modifies the definition of “employer” for the purposes of personnel record review and access under Minnesota Statutes, sections 181.960 to 181.966. Currently, private employers with 20 or more employees are subject to these provisions. With this change, an employee of a private sector employer with one or more employees would have all of the rights and protections related to personnel record review and access, consistent with the existing law allowing employee review of personnel records for an employer with one or more employees.

Takes effect July 1, 2024, by law.
- 5 Wage theft prevention and use of responsible contractors.**

Requires any applicant for Minnesota Housing Finance Agency (MHFA) funding or an any award of federal low-income housing credits to disclose labor law violations to the agency in the funding application. Also requires a project sponsor to verify use of responsible contractors as defined by law, and a project applicant to maintain a list of contractors and subcontractors working on any project. Requires any contractor or subcontractor to enter into a wage theft prevention plan if it underpays a worker and allows MHFA to disqualify a project sponsor from receiving funding for three years for failure to pay statutorily required wages after entering into a wage theft

**Section Description – Article 9: Miscellaneous Labor Provisions**

---

prevention plan. Allows MHFA to deny an application for funding for failing to comply with this section.

Effective August 1, 2024.

**6 Rulemaking; acceptable blood lead levels for workers.**

Requires the DLI commissioner, in consultation with the commissioner of MDH, to adopt rules lowering acceptable blood lead levels for workers. MNOSHA has currently adopted by reference the federal OSHA standard for occupational exposure to lead, Lead Standard, [1910.1025](#). See Minnesota Rules, [part 5205.0010, subpart 2](#).

Takes effect July 1, 2024, by law.

## **Article 10: Employee Misclassification Prohibited**

Makes several changes and additions to misclassification provisions in chapters 177, 181, and 326B. Creates a multiagency Intergovernmental Misclassification Enforcement and Education Partnership, allows for data sharing related to misclassification investigation, outreach, prevention, and enforcement. Clarifies and provides for additional penalties and enforcement of misclassification of employees and construction employees, including individual and successor liability. And establishes a new multipart independent contractor test for building construction and improvement services.

**Section Description – Article 10: Employee Misclassification Prohibited**

---

**1 Examination of records.**

Allows examination of records and questioning of employers for any provisions subject to compliance order enforcement by DLI.

Effective July 1, 2024.

**2 Submission of records; penalty.**

Adds clarifying language about employment status records.

Effective July 1, 2024.

**3 Adequacy of records.**

Removes mediation language from adequacy of records provision.

Effective July 1, 2024.

**Section Description – Article 10: Employee Misclassification Prohibited**

---

**4 Compliance orders.**

Adds section 181.723, misclassification of construction employees, as amended in section 8, to the list of sections the commissioner can enforce through a compliance order.

Effective July 1, 2024.

**5 Employer liability.**

Clarifies that employer liability for an order to comply under this section is additional to any liability or remedies otherwise provided for in the specific violated section.

Effective July 1, 2024.

**6 Civil action; damages.**

Adds section 181.722, misclassification of employees, and section 181.723, misclassification of construction employees, as amended in sections 7 and 8 to the list of labor sections that can be enforced through a private civil cause of action under section 181.171.

Effective July 1, 2024.

**7 Misclassification of employees.**

Subdivision 1 specifies prohibited misclassification activities for an individual who is a person's employee, including failing to classify, represent, treat, report, disclose, document, or enter into an agreement with the individual as an employee, or requiring the employee to agree to be misclassified or treated as something other than an employee. Allows for personal liability for engaging in a misclassification violation knowingly or repeatedly. Also adds successor liability for outstanding misclassification violation compliance orders if three or more successor factors apply to the successor company or employer. Subdivision 1, paragraph (c), clauses (1) to (7) list the successor factors.

Subdivision 4 provides for additional penalties, investigation, and enforcement by the DLI commissioner for each separate misclassification violation. Damages include compensatory damages, and penalties ranging from \$1000 to up to \$10,000 depending on the type of violation.

Also adds definitions for this section in subdivision 1a, removes existing subdivision 2 prohibiting agreements to misclassify, and makes other minor technical and clarifying changes in subdivisions 3 and 5.

Effective July 1, 2024.

**Section Description – Article 10: Employee Misclassification Prohibited**

---

**8 Misclassification of construction employees.**

Subdivision 1 modifies the definitions used in this section, including a new definition of independent contractor based on the new requirements in subdivision 4.

Subdivision 2 clarifies the limited application of this section to building construction and improvement services, including public or private sector commercial or residential building construction or improvement, unless one of the exclusions applies.

Subdivision 3 clarifies presumption that a person providing building construction or improvement services for an employer in the regular course of the employer's business is considered an employee for the purposes of the construction codes and licensing chapter, in addition to a number of labor laws, unless the independent contractor requirements under subdivision 4 are met.

Subdivision 4 adds a new multi-part test setting out 14 requirements to identify and classify an independent contractor operating a separate business entity in building construction and improvement services.

Subdivision 7 specifies prohibited misclassification activities for an independent contractor in the construction industry or for treating an employee as an independent contractor, including failing to classify, represent, treat, disclose, document, report, or enter into an agreement with the individual as an employee, or requiring the individual to register as a construction contractor or agree to be misclassified as an independent contractor. Allows for personal liability for engaging in a misclassification violation knowingly or repeatedly. Also adds successor liability for outstanding misclassification violation compliance orders if three or more successor factors apply to the successor company or employer. Subdivision 7, paragraph (e), clauses (1) to (7) list the successor factors. This subdivision also adds document retention requirements for independent contractor status and provides for additional penalties, investigation, and enforcement by the DLI commissioner for each separate misclassification violation. Damages include compensatory damages, and penalties ranging from \$1000 to up to \$10,000 depending on the type of violation.

Subdivisions 13 and 15 make other minor technical and clarifying changes.

Effective July 1, 2024, and subdivision 4 amendments are effective for building construction or improvement services performed after March 1, 2025.

**9 Intergovernmental Misclassification and Education Partnership Act.**

Sections 9 and 10 establish the Intergovernmental Misclassification Enforcement and Education Partnership Act for the stated purpose of preventing employee

**Section Description – Article 10: Employee Misclassification Prohibited**

---

misclassification and providing for coordination, collaboration, and information sharing between partnership entities. Provides definitions used in the Act.

Effective May 25, 2024.

**10 Intergovernmental Misclassification and Education Partnership.**

Creates the Intergovernmental Misclassification Enforcement and Education Partnership, composed of the commissioners of labor and industry, revenue, employment and economic development, and commerce, and the attorney general. Requires the partnership to meet quarterly on issues related to investigation and outreach on employee misclassification. Sets out the partnership’s duties, including efforts related to education, outreach, detection, investigation, deterrence, and enforcement of employee misclassification. Requires an annual presentation to the legislature on the partnership’s efforts. Specifies information and recommendations to be included in the partnership’s first presentation to the legislature and allows for meetings for this purpose. Specifies that the partnership is not subject to the Open Meeting Law.

Effective May 25, 2024.

**11 Disclosure to Department of Commerce.**

Allows the commissioner of revenue to disclose certain tax return information to the commissioner of commerce as needed for the purposes of workers’ compensation insurance compliance.

Effective May 25, 2024.

**12 Disclosure to the attorney general.**

Allows the commissioner of revenue to disclose certain tax return information to the attorney general for the purpose of determining whether a business is an employer and as needed for the attorney general’s enforcement of labor chapters 177 and 181.

Effective May 25, 2024.

**13 Applicable law.**

Expands the scope of law enforced by the DLI commissioner with respect to construction codes and licensing to include violations of wage protections and worker misclassification laws.

Effective July 1, 2024.

**Section Description – Article 10: Employee Misclassification Prohibited**

---

- 14     **Licensing order.**  
Amends a cross-reference regarding licensing orders.  
  
Effective July 1, 2024.
- 15     **Stop work order.**  
Conforms the definition to terminology changes in section 21.  
  
Effective March 1, 2025.
- 16     **Remedies available.**  
Provides that the DLI commissioner’s enforcement remedies for violations of construction codes and licensing laws may be used in addition to or as an alternative to other investigative and enforcement powers provided to the commissioner.  
  
Effective July 1, 2024.
- 17     **Access to information and property; subpoenas.**  
Allows the DLI commissioner, in connection with actions to enforce the construction code and construction licensing laws, to demand data and information and to access all areas of a property subject to investigation or enforcement action.  
  
Effective July 1, 2024.
- 18     **Fax or email transmission.**  
Allows for requests for reconsideration or a hearing on enforcement actions by the DLI commissioner to be emailed to the commissioner when the commissioner requests service by email.  
  
Effective July 1, 2024.
- 19     **Notices of violation.**  
Allows for the DLI commissioner to issue notices of violation, in connection with a construction code or licensing enforcement action, to any individual who could be held liable for misclassification of a construction employee under the changes proposed in section 8 and makes the notice effective against any successor person as defined in that section.  
  
Effective July 1, 2024.
- 20     **Administrative orders; correction; assessment of monetary penalties.**  
Allows the DLI commissioner to assess monetary damages for violations of construction code and licensing provisions; to issue administrative orders for failure

**Section Description – Article 10: Employee Misclassification Prohibited**

---

to correct notices of violation; to seek an order finding a failure to correct a notice of violation to be contempt of court; and to issue an administrative order against any person who could be held liable for misclassification of a construction employee under the changes proposed in section 8.

Effective July 1, 2024.

**21 Stop work orders.**

Expands list of persons against whom the DLI commissioner can issue stop work orders to include any person who could be held liable for misclassification of a construction employee under the changes proposed in section 8 and expands the list of conduct that can give rise to a stop work order to include failure to correct notices of violations. Requires commissioner to lift a stop work order once there's a finding of compliance. Allows a request for a hearing on a stop work order to be served by email. Allows for assessment of a \$5,000 per day penalty for violating a stop work order. Entitles employees of an entity subject to a final stop work order to receive up to 10 days' pay. Makes data in a stop work order public after the order is issued and requires the commissioner to consider the factors under section 14.045, subdivision 3, when determining the appropriateness of a stop work order.

Effective March 1, 2025.

**22 Licensing orders; grounds; reapplication.**

Allows the DLI commissioner to deny a construction license to a person who violated any of a number of chapters governing Minnesota labor, who violated orders from the commissioner of labor or other state commissioners, or who failed to comply with a commissioner's investigation.

Effective July 1, 2024.

**23 Summary suspension.**

Allows summary suspension of a person's permit, license, registration, or certificate for engaging in prohibited activities related to independent contractor status, as defined in section 8.

Effective July 1, 2024.

**24 Additional penalties and damages.**

Allows an additional \$1,000 penalty to apply to any person who delays or obstructs a commissioner's investigation of a violation of construction code and licensing laws.

Effective July 1, 2024.

**Section Description – Article 10: Employee Misclassification Prohibited**

---

**25 Construction contractor registration.**

Requires applications to register as a contractor to include information on how many employees the person has, the identities of all persons with an interest in the business entity, documentation of the person’s compliance with worker’s compensation and unemployment insurance laws for the person’s employees, and information on any violations issued to the person or other persons with an interest in the business entity by the DLI commissioner in the preceding 10 years. Renders each day of performing construction without proper registration to be a separate violation of this section. Allows investigation and enforcement of this section in conjunction with other investigatory and enforcement actions. Allows the DLI commissioner to use otherwise private application data for investigatory and enforcement purposes.

Effective July 1, 2024.

## **Article 11: Earned Sick and Safe Time Modifications**

Makes various policy and technical changes to the earned sick and safe time (ESST) provisions which became law on January 1, 2024.

**Section Description – Article 11: Earned Sick and Safe Time Modifications**

---

**1 Compliance orders.**

Adds ESST enforcement under section 177.50 to the sections of law the DLI commissioner can enforce through a compliance order.

Effective May 25, 2024.

**2 Rulemaking authority.**

Authorizes DLI commissioner to conduct rulemaking for the purposes of carrying out ESST provisions.

Effective May 25, 2024.

**3 Remedies.**

Adds a remedy to ESST enforcement under section 177.50, making an employer liable to each employee who does not receive or is not allowed to use ESST as required under the law. Sets damages as the full amount of ESST time that was not provided or allowed to be used at the employee’s regular rate of pay, plus an amount equal to that amount as liquidated damages. If an employer does not have records to



**Section Description – Article 11: Earned Sick and Safe Time Modifications**

---

calculate the amount owed for this purpose, the employee must be provided 48 hours for each year ESST was not provided.

Effective May 25, 2024.

**4 Required statement of earnings by employer; notice to employee.**

Removes the ESST reporting requirements from the required earnings statement that an employer must provide at the end of a pay period under section 181.032. Reporting requirements are now covered under section 181.9447, subdivision 10.

Effective May 25, 2024.

**5 Earned sick and safe time.**

Makes clarifying language change to refer to an employee’s “base rate” for the purposes of defining and paying ESST.

Effective May 25, 2024.

**6 Base rate.**

Defines an employee’s “base rate” for hourly, salaried, and commissioned employees, for the purposes of paying ESST.

Effective May 25, 2024.

**7 Employee.**

Modifies the definition of “employee” for the purposes of earning ESST as a person anticipated by the employer to work 80 hours or more in a year, excluding an independent contractor. Also excludes certain volunteer firefighters and ambulance personnel, elected officials, and certain farm employees working less than 28 days each year from ESST requirements, as specified.

Effective May 25, 2024.

**8 Accrual of earned sick and safe time.**

Makes conforming and clarifying language changes.

Takes effect July 1, 2024, by law.

**9 Eligible use.**

Adds an eligible use of ESST time for arranging or attending a funeral of a family member or addressing a legal or financial matter related to the death of a family member.

**Section Description – Article 11: Earned Sick and Safe Time Modifications**

---

Effective May 25, 2024.

**10 Documentation.**

Adds clarity about what constitutes reasonable documentation for the use of ESST for domestic abuse, sexual assault, or stalking if a court record or other more formal documentation cannot be obtained. Clarifies time period for requiring documentation for use of ESST for more than three scheduled workdays.

Effective May 25, 2024.

**11 Increment of time used.**

Allows ESST to be used in the same increment of time as an employee is paid. An employer is not required to provide ESST leave in less than 15-minute increments and cannot require an employee to use ESST in more than four-hour increments.

Effective May 25, 2024.

**12 Employer records and required statement to employees.**

Provides flexibility for employer ESST reporting requirements. Requires notice of used or available ESST hours to employees at the end of each pay period in writing or electronically. Allows this notice through a paystub, other earnings statement, or as provided by an employer's chosen reasonable reporting system. Requires readily available records producible in 72 hours and recordkeeping for three years.

Takes effect July 1, 2024, by law.

**13 Confidentiality and nondisclosure.**

Clarifies that an employer's ability to retain or destroy ESST medical records is subject to any applicable state or federal law, rule, or regulation providing otherwise.

Effective May 25, 2024.

**14 Weather event exception.**

Precludes use of ESST time for a weather-related event or public emergency for certain public safety employees.

Takes effect July 1, 2024, by law.

**15 Effect on more generous sick and safe time policies.**

Paragraph (a) clarifies how ESST interacts with short-term and long-term disability policies and any accrued leave existing when ESST became law on January 1, 2024.

**Section Description – Article 11: Earned Sick and Safe Time Modifications**

---

Any preexisting accrued leave remains subject to the employer’s preexisting leave policy or applicable collective bargaining agreement as specified.

Paragraph (g) allows a collective bargaining agreement to waive ESST documentation requirements.

Paragraph (h) adds a waiver for an individual provider providing services to a family member under consumer support grants, consumer-directed community supports, or community first services and supports. A participant/service recipient under these programs has an annual budget that they manage to purchase their services and supports for the year. If the individual provider waives the requirements of ESST under this section, then the money that would have been used for ESST payments must be returned to the participant’s budget. The individual provider cannot opt back into earning ESST again until the participant’s next service plan year.

Effective May 25, 2024, unless otherwise provided.

**16 Termination; separation; transfer.**

Clarifies that an employee rehired within 180 days of separation can only receive reinstatement of accrued ESST if the accrued time has not been used or otherwise disbursed to the employee’s benefit.

Effective May 25, 2024.

**17 Employer succession.**

Makes conforming language change.

Effective May 25, 2024.

## **Article 12: University of Minnesota Collective Bargaining**

Modifies PELRA provisions to allow University of Minnesota employees—including student employees—more flexibility in organizing their own distinct bargaining units. Takes effect July 1, 2024, by law.

**Section Description – Article 12: University of Minnesota Collective Bargaining**

---

**1 Units.**

Amends the appropriate bargaining units for UMN employees to delete several specified units and to include but not limit them to the units listed for specified positions. Allows the BMS commissioner to designate new UMN employee bargaining units for UMN employees whose positions are not included in the remaining units

**Section Description – Article 12: University of Minnesota Collective Bargaining**

---

under the existing process for unit determination under PELRA, section 179A.09. Allows the commissioner to give special emphasis to the desires of the petitioning employee or their representatives.

**2 University of Minnesota employee severance.**

Allows UMN employees to separate from the instructional and supervisory bargaining units by (1) petitioning and obtaining an election to separate and certify severance, or by following the process outlined under PELRA section 179A.12, or (2) excluding the group from a proposed unit in a representation petition.

**3 Joint bargaining.**

Permits UMN bargaining units to negotiate their contracts jointly through mutual agreement or separately from one another. Requires jointly negotiated contracts to be ratified by each unit.

## **Article 13: Broadband and Pipeline Safety**

Establishes and modifies safety-related provisions and workforce-related requirements for broadband Internet installation. Requires DEED to prioritize state broadband funding awards to projects committed to implementing specified workplace best practices. Also establishes related investigation, training, and certification requirements.

**Section Description – Article 13: Broadband and Pipeline Safety**

---

**1 Awarding grants.**

Requires DEED to aim to award at least 50 percent of general fund appropriations for the Border-to-Border Broadband Development grant program each year to applicants that expressly agree to implement specified workforce best practices as a grant condition. Workplace best practices include payment of prevailing wages, annual skills training, and health and retirement benefits.

Effective January 1, 2026.

**2 Workforce plan data.**

Requires grantees with more than 10,000 broadband customers who receive broadband funding to report certain workforce plan data, and to have a workforce plan and agree to ongoing workforce reporting as a contract condition.

Effective January 1, 2026.

**Section Description – Article 13: Broadband and Pipeline Safety**

---

- 3 Failure to meet requirements or falsification of data.**  
Requires DLI to investigate a successful applicant’s failure to meet program requirements or falsification of data and take appropriate action, including making the applicant ineligible for broadband grant programs.  
  
Effective January 1, 2026.
- 4 Telecommunications and cable communications systems.**  
Grants the PUC authority to investigate telecom carriers, telephone companies, and cable communications system providers that impact public utility or cooperative electric association infrastructure. Authorizes the PUC to take action as provided under existing law for a finding of damaging conduct or unreasonable interference with infrastructure.  
  
Takes effect July 1, 2024, by law.
- 5 Underground telecommunications infrastructure.**  
Defines key terminology. Requires use of safety-qualified underground telecommunications installers for installation of underground telecommunications infrastructure within ten feet of, or crossing existing, underground utilities, when specified. Applies July 1, 2025, to installations in the seven-county metro area, and starting January 1, 2026, for all installations. Requires DLI, in consultation with Office of Broadband, to approve certification standards for safety-qualified underground telecommunications installers that include certain specified components. Requires DLI to develop an approval process for installer training providers.  
  
Effective May 25, 2024.

## **Article 14: Housing Appropriations**

Appropriates money for housing-related purposes.

**Section Description – Article 14: Housing Appropriations**

---

- 1 Appropriations.**  
Specifies the drafting conventions used in the remainder of the housing appropriations article.
- 2 Housing Finance Agency.**  
Appropriates \$8,680,000 in fiscal year 2025 to the Minnesota Housing Finance Agency (MHFA). \$8,109,000 of this amount is for family homeless prevention and

**Section Description – Article 14: Housing Appropriations**

---

- assistance, \$100,000 of this amount is for a grant to the Amherst H. Wilder Foundation for a homeless study, and \$471,000 is for administrative costs to MHFA for administering article 16 of this act.
- 3      **Department of Labor and Industry.**  
Appropriates \$225,000 in fiscal year 2025 to the Department of Labor and Industry for a study on single-egress apartment buildings.
- 4      **Supreme court.**  
Appropriates \$545,000 in fiscal year 2025 to the Minnesota judicial branch for implementation of retroactive eviction expungements.
- 5      **Legislative Coordinating Commission.**  
Appropriates \$400,000 in fiscal year 2025 to the Legislative Coordinating Commission to facilitate the task forces established in article 15 of this act.
- 6      **Human services.**  
Appropriates \$150,000 in fiscal year 2025 to the Department of Human Services for a grant to Propel Nonprofits for needs and site analyses for emergency shelter for transgender adults.
- 7      **Challenge program.**  
Reduces a fiscal year 2025 appropriation to MHFA for the challenge program by \$7,000,000. Modifies a grant for Urban Homeworks to allow its use on gap financing and to expand the income ranges of families eligible for assistance through the grant.
- 8      **Workforce homeownership.**  
Reduces a fiscal year 2024 appropriation to MHFA for the workforce homeownership program by \$3,000,000.
- 9      **Supportive housing.**  
Reduces a fiscal year 2024 appropriation to MHFA for supportive housing by \$15,000,000.
- 10     **Manufactured home lending grants program.**  
Modifies a fiscal year 2024 appropriation to MHFA for a manufactured home lending grant program to make it a direct grant to NeighborWorks Home Partners.
- 11     **Community stabilization.**  
Increases a fiscal year 2025 appropriation to MHFA for the community stabilization program by \$25,000,000. Allocates the fiscal year 2024 and 2025 appropriations.

**Section Description – Article 14: Housing Appropriations**

---

- 12     **Availability of appropriations for administrative expenses.**  
Prohibits MHFA’s use of appropriations for certain grants under this article for administrative expenses unrelated to the grant. Requires a report from MHFA to the legislature in 2025 on administrative expenses related to these grants.
- 13     **Repealer.**  
Repeals the manufactured home lending grants program which section 10 of this article modifies.

**Article 15: Housing Policy**

Enacts housing policy and technical changes, including changes to programs of the MHFA.

**Section Description – Article 15: Housing Policy**

---

- 1     **Accrued interest.**  
Removes a requirement that MHFA report on the amount deposited to the housing trust fund through the interest on real estate brokers’ accounts.
- 2     **Set-aside contracts.**  
Modifies provisions allowing Hennepin County to set aside a portion of its contracts for entities employing persons who would be eligible for public assistance or rehabilitative services without the employment so that employers providing construction services are eligible if they employ as many of those persons as is practicable. Previously, 50 percent of the employees needed to meet those criteria.
- 3     **Energy conservation, decarbonization, and climate resilience.**  
Expands certain provisions for energy efficiency to include clean energy, greenhouse gas emissions reduction, and climate resiliency.
- 4     **Rehabilitation loans.**  
Expands certain provisions for energy conservation to include clean energy, greenhouse gas emissions reduction, and climate resiliency.
- 5     **Rehabilitation loans; existing owner-occupied residential housing.**  
Expands certain provisions for energy efficiency to include clean energy, greenhouse gas emissions reduction, and climate resiliency.

**Section Description – Article 15: Housing Policy**

---

- 6      **Energy conservation, decarbonization, and climate resiliency loans.**  
Expands certain provisions for energy conservation to include decarbonization, greenhouse gas emissions reduction, and climate resiliency.
- 7      **Rehabilitation grants.**  
Expands certain provisions for energy conservation to include decarbonization, greenhouse gas emissions reduction, and climate resiliency.
- 8      **Energy conservation, decarbonization, and climate resiliency grants.**  
Expands certain provisions for energy conservation to include decarbonization, greenhouse gas emissions reduction, and climate resiliency.
- 9      **Rental property loans.**  
Expands certain provisions for energy improvements to include decarbonization, greenhouse gas emissions reduction, and climate resiliency.
- 10     **Insuring financial institution loans.**  
Expands certain provisions for energy conservation to include decarbonization and climate resiliency.
- 11     **Indian Tribes.**  
Expands the programs for which Indian Tribes are eligible from all programs governed by the MHFA chapter to all agency programs, including those governed by session law.
- 12     **Rent and income limits.**  
Allows MHFA, without following the rulemaking requirements of chapter 14, to adjust the rent and income limits of its programs to meet federal standards for the low-income housing tax credit or the exempt-facility bond.
- 13     **Report to the legislature.**  
Requires an annual report from MHFA to the legislature on demand for and use of appropriations for competitive development programs.
- 14     **Eligibility for agency programs.**  
Allows MHFA to determine that a household meets rent or income requirements if the household receives means-tested public assistance benefits.
- 15     **Energy efficiency loans.**  
Expands certain provisions for energy conservation to include decarbonization and climate resiliency.



**Section Description – Article 15: Housing Policy**

---

- 16     **Agency debt capacity.**  
       Raises MHFA’s general obligation debt ceiling from \$5,000,000 to \$9,000,000.
- 17     **Expending funds.**  
       Allows MHFA to collect administrative costs of administering the manufactured home relocation trust fund from the fund, conforming to changes made in the 2023 legislative session.
- 18     **Authorization.**  
       Modifies allowable uses of the housing infrastructure bond program to expand uses on foreclosed and abandoned housing to include rehabilitating the properties for affordable homeownership, to reduce the fraction of housing units required to be operated as supporting housing units for a building to qualify for assistance as supportive housing, to allow use of bond proceeds on cooperatively owned housing, and to specify that a roll-in shower for a recipient of housing infrastructure bonds is required in each accessible unit in the building.
- 19     **Additional authorization.**  
       Authorizes the issuance of \$50,000,000 in housing infrastructure bonds.
- 20     **Additional appropriation.**  
       Appropriates to MHFA the amount necessary to pay the debt service on the housing infrastructure bonds authorized in section 19 of this article.
- 21     **Use of funds.**  
       Allows use of the workforce and affordable homeownership development program on affordability gap financing.
- 22     **Definitions.**  
       Removes certain geographic and population limits for the workforce housing development program.
- 23     **Greater Minnesota housing infrastructure grant program.**  
       Modifies the greater Minnesota housing infrastructure grant program to make counties eligible for receipt of grants and to allow use of grants on manufactured housing infrastructure.
- 24     **Use of funds; grant and loan program.**  
       Removes a set-aside from the Minnesota housing tax credit program.

**Section Description – Article 15: Housing Policy**

---

- 25     **Eligible recipients; definitions; restrictions; use of funds.**  
Specifies that the same requirements applying to grants through the Minnesota housing tax credit program also apply to loans. Expands eligibility for grants and loans under the program to include certain previously disqualified individuals and business entities. Allows MHFA to rely on applicant’s statements about their eligibility to determine their eligibility for grants and loans. Expands the scope of projects which a taxpayer may contribute to under section 290.0683.
- 26     **Development guide.**  
Provides that no decision adopting or authorizing a comprehensive plan is subject to the requirements of the environmental policy chapter of law (116D). Clarifies that individual projects are not exempted from the requirements of chapter 116D and applicable rules.  
  
Effective the day following final enactment and applies to all comprehensive plans and amendments adopted by any local governmental unit and authorized by the Metropolitan Council during the most recent decennial review under Minnesota Statutes, section 473.864.
- 27     **Definitions.**  
Adds a definition of locally funded housing expenditures to the local affordable housing aid program to include use of unrestricted local government money on a wide variety of housing-related expenditures.
- 28     **Qualifying projects.**  
Adds the funding of operations and supportive services to the list of projects which local affordable housing aid may be spent on, including costs of operating emergency shelter, transitional housing, supportive housing, or publicly owned housing.
- 29     **Use of proceeds.**  
Deems funds committed to a project within three years of receipt as spent for the purposes of the three-year spending deadline of the local affordable housing aid, provided that the funds are expended in the following year.
- 30     **Conditions for receipt.**  
Requires that local affordable housing aid recipients commit to using money to supplement their locally funded housing budgets. Requires that local governments report on their locally funded housing expenditures and any cuts to those expenditures.

**Section Description – Article 15: Housing Policy**

---

- 31     **Administration.**  
Requires MHFA to notify the Department of Revenue if a local affordable housing aid recipient fails to report on its locally funded housing expenditures. Requires an aid recipient to return its money to MHFA if it fails to meet its reporting requirement. Requires the Department of Revenue to stop funding an aid recipient upon the aid recipient’s request.
- 32     **Definitions.**  
Adds a definition of locally funded housing expenditures to the statewide local housing aid program to include use of unrestricted local government money on a wide variety of housing-related expenditures.
- 33     **Qualifying projects.**  
Adds the funding of operations and supportive services to the list of projects which statewide local housing aid may be spent on, including costs of operating emergency shelter, transitional housing, supportive housing, or publicly owned housing.
- 34     **Use of proceeds.**  
Deems funds committed to a project within three years of receipt as spent for the purposes of the three-year spending deadline of the statewide local housing aid, provided that the funds are expended in the following year.
- 35     **Conditions for receipt.**  
Requires that statewide local housing aid recipients commit to using money to supplement their locally funded housing budgets. Requires that local governments report on their locally funded housing expenditures and any cuts to those expenditures.
- 36     **Administration.**  
Requires MHFA to notify the Department of Revenue if a statewide local housing aid recipient fails to report on its locally funded housing expenditures. Requires an aid recipient to return its money to MHFA if it fails to meet its reporting requirement. Requires the Department of Revenue to stop funding an aid recipient upon the aid recipient’s request.
- 37     **Northland Foundation.**  
Expands the eligible uses of a Northland Foundation appropriation from 2023 to include assisting and supporting communities in providing housing locally.

**Section Description – Article 15: Housing Policy**

---

- 38      **Establishment.**  
Modifies the community stabilization program to add recapitalization of distressed buildings as one of the purposes of the program.
- 39      **Definitions.**  
Modifies the community stabilization program to add a definition of “recapitalization” and “distressed building” and to modify provisions for owner-occupied homes so they apply to single-family homes, including rental properties.
- 40      **Eligible uses.**  
Expands eligible uses of the community stabilization program funding to include recapitalization of distressed buildings and provides priorities for requests for recapitalization of distressed buildings.
- 41      **Single-family housing income limits.**  
Applies income limitations of the community stabilization program previously applying to owner-occupied housing to single-family housing.
- 42      **Private lender participation.**  
Modifies the community stabilization program to require that recipients of funding for recapitalization must demonstrate receipt of a meaningful amount of funding for recapitalization from a private lender.
- 43      **Report.**  
Requires MHFA to report on the community stabilization program to the legislature.
- 44      **Eligible homebuyer.**  
Removes a geographic requirement from the definition of “eligible homebuyer” for the purposes of the fee-based down payment assistance program enacted in the 2023 legislative session.
- 45      **Effective date.**  
Amends 2023 law to make new options for mandatory eviction expungement retroactive, applying to cases that occurred before, on, or after January 1, 2024.
- 46      **Single-egress stairway apartment building report.**  
Requires the commissioner of labor and industry to study ways to design safe apartment buildings above three stories with a single means of egress and to report on the study to the legislature.

**Section Description – Article 15: Housing Policy**

---

**47 Locally funded housing expenditure report.**

Requires MHFA to report to the legislature on the reports it receives from aid recipients on locally funded housing expenditures through the local affordable housing aid and the statewide local housing aid programs.

**48 Working group on common interest communities and homeowners associations.**

**Subd. 1. Creation; duties.** Creates a working group to study common interest communities (CICs), commonly called condos, and HOAs, which are homeowner associations that govern a variety of different housing configurations, in Minnesota to look at:

- how many CICs and HOAs exist and how many people live in them;
- what governing documents CICs and HOAs use and how they impact homeowners;
- the fees and costs associated with HOAs and CICs;
- if and how regulating CICs and their costs and fees could be done;
- racial disparities and accessibility in homeownership in CICs and HOAs and the impact of these organizations on the housing market and costs; and
- how the laws related to CICs and HOAs currently work and what reforms could improve the experience for homeowners and residents.

**Subd. 2. Membership.** Provides the membership for the working group, including house and senate members, the commissioner of the Housing Finance Agency and the Attorney General’s Office, members of the public who own or have owned property in a CIC or HOA, as well as members of the housing community, legal aid, realtors, and attorneys who work with CICs and HOAs and their owners.

**Subd. 3. Facilitation; organization; meetings.** Provides that the Legislative Coordinating Commissioner will provide support to the working group and how the meetings will be held.

**Subd. 4. External consultation.** Allows the working group to consult with others for expertise in completing the requirements of the working group.

**Subd. 5. Report.** Requires a final report be submitted to chairs of legislative committees related to housing and commerce by February 1, 2025.

**Subd. 6. Expiration.** Provides that the working group expires when they submit their final report or on February 28, 2025.

Effective date: Provides that this section would be effective the day following final enactment.

**Section Description – Article 15: Housing Policy**

---

- 49     **Task force on long-term sustainability of affordable housing.**  
Establishes a task force administered by the Legislative Coordinating Commission to evaluate issues and report recommendations relating to affordable housing sustainability, with a final report to the legislature due February 1, 2025.
- 50     **Report on Section 42 senior rental housing.**  
Requires MHFA to gather data on senior rental housing funded through the federal low-income housing tax credit and to report the data to the legislature by January 15, 2025.
- 51     **Comprehensive plans; metropolitan area cities of the first class.**  
Provides that comprehensive plans adopted by cities of the first class in the metropolitan area and authorized by the Metropolitan Council for the most recent decennial review do not constitute conduct that causes or is likely to cause pollution, impairment, or destruction as defined under the Minnesota Environmental Rights Act.
- 52     **Contingent fee payments.**  
Allows attorneys or financial advisers of projects funded through conduit financing to be paid through contingency fees.
- 53     **Revisor instruction.**  
Requires the Revisor’s Office to recodify a subdivision of law allowing for issuance of refunding housing infrastructure bonds.
- 54     **Repealer.**  
Repeals a reporting requirement of the homeownership education, counseling, and training program and a purpose statement of the local affordable housing aid program.

**Article 16: Expediting Rental Assistance**

Implements recommendations of the working group on expediting rental assistance.

**Section Description – Article 16: Expediting Rental Assistance**

---

- 1     **Annual projection of emergency rental assistance needs.**  
Requires MHFA to consult with Department of Human Services (DHS) and administrators of rental assistance to project the amount of money necessary to

**Section Description – Article 16: Expediting Rental Assistance**

---

- meet all needs for assistance from family homeless prevention and assistance, emergency assistance, and emergency general assistance.
- 2     **Expediting rental assistance; implementation.**  
Requires MHFA to implement this article in a way that is “trauma-informed” and “culturally responsive.” Defines those terms.
- 3     **Data collection to measure timeliness of rental assistance.**  
Requires MHFA to work with the Department of Human Services to develop criteria for measuring the timeliness of emergency rental assistance, to collect data on the criteria, and to report on the findings to the legislature in 2027.
- 4     **E-signature options for rental assistance.**  
Requires DHS and MHFA to develop uniform e-signature options and to require administrators of rental assistance to use those options by June 30, 2026.
- 5     **Verification procedures for rental assistance.**  
Requires MHFA to work with rental assistance administrators to simplify the process of verifying information needed for rental assistance applications.

## **Article 17: Transportation Network Companies**

This article establishes a new chapter 181C for the purpose of regulating transportation network companies or TNCs. Provisions include establishment of minimum compensation for drivers and deactivation procedures, and requirements for insurance, notice and pay transparency, discrimination and retaliation, and enforcement, among others. Many sections take effect July 1, 2024, unless otherwise specified. Minimum compensation rates apply starting December 1, 2024, as do the requirements for notice, pay transparency, and deactivation. The insurance provisions take effect January 1, 2025, and statewide preemption is effective the day following final enactment.

**Section Description – Article 17: Transportation Network Companies**

---

- 1     **[65B.472] Transportation network financial responsibility.**
- Subd. 1. Definitions.** Defines disability and income loss benefits, driver time periods, funeral and burial expenses, medical expense benefits, personal injury, replacement services loss benefits, survivors economic loss benefits, and survivor replacement services loss benefits. Adds and corrects cross-references.
- Subd. 2. Maintenance of transportation network financial responsibility.**  
Clarifies existing provision requiring a TNC to maintain auto insurance on a

**Section Description – Article 17: Transportation Network Companies**

---

driver’s behalf covering P1, P2, and P3 and makes consistent language changes. Requires TNCs to provide a blanket accident and sickness insurance policy at no cost to the drivers that provides at least \$1 million in benefits for personal injuries to drivers that arise from the driver’s work and are not otherwise covered by auto insurance. Specifies the type of coverage required for P2 and P3 and includes a personal injury sustained at a drop-off location immediately following a ride. Adds requirements for insurers that issue accident and sickness policies under this section. Requires that, if one or more TNC blanket accident and sickness policies cover an injury, the TNC against whom the claim is filed pays a pro rata share. Reduces amounts payable under the blanket accident and sickness coverage by amounts paid or payable due to underinsured/uninsured motorist coverage.

**Subd. 3. Disclosure to transportation network company drivers.** Corrects cross-references and makes consistent language change.

**Subd. 4. Automobile insurance provisions.** Corrects cross-references.

Effective date: This section is effective January 1, 2025.

2 **[181C.01] Definitions.**

Provides the definitions used for chapter 181C regulating transportation network companies. Where applicable, terms have been defined by referencing definitions in chapter 65B.

3 **[181C.02] Notice and pay transparency.**

Requires a TNC to provide several notices to TNC drivers related to minimum compensation requirements, any compensation policy, trip assignments, daily and weekly receipts, and rights and remedies available.

**Subd. 1. Compensation notice.** Requires a TNC to provide notice to a driver when their account is activated and annually each year advising the driver of minimum compensation required under section 181C.03, or any compensation policy, including frequency and manner of pay, rights and remedies available for payment violations, and the right to elect certain paid leave benefits when applicable. The notice must be written in plain language and available in the required languages. Requires 48-hour notice to a driver of any change to compensation before it takes effect.

**Subd. 2. Assignment notice.** Requires a TNC to provide sufficient notice time for a driver to review a potential ride offer, which must include the estimated travel time and mileage to the pickup location and for the trip, and estimated trip compensation (not including any gratuity).



**Section Description – Article 17: Transportation Network Companies**

---

**Subd. 3. Daily trip receipt.** Requires a daily receipt from the TNC to the driver within 24 hours of a completed trip with certain information, including time and mileage, pickup and dropoff locations as specified, total fares paid, and the itemized total driver compensation, including rate of pay, and any multiplier, gratuities, or list of tolls, fees, or other pass-throughs charged to the driver.

**Subd. 4. Weekly summary.** Requires a weekly summary from the TNC providing certain information about the week prior, including total time the driver was logged in, total time and mileage for P2 and P3 segments, total fares paid by riders, and total compensation, including any gratuities.

**Subd. 5. Record keeping.** Requires TNCs to keep trip receipts and weekly summaries for at least three years.

Effective date: Effective December 1, 2024.

4 **[181C.03] Minimum compensation.**

Establishes minimum compensation for TNC drivers. Sets rate at \$1.28 per mile, and \$0.31 per minute for any ride and requires an additional \$0.91 per mile for wheelchair accessible vehicles, subject to annual adjustment based on inflation starting January 1, 2027. Drivers must be paid at least \$5 for any ride provided, and a driver must receive 80 percent of any ride cancellation fee paid by a rider if the driver has already departed. Requires payment to drivers at least every 14 days of at least the minimum compensation amount. Any gratuities belong to the driver, are additional to the minimum, and must be paid by the next scheduled paycheck. Fares must be paid to a driver regardless of whether they are actually collected.

Effective date: Effective December 1, 2024.

5 **[181C.04] Deactivation.**

Provides that a TNC must have a written and easy to read deactivation policy that outlines how the company suspends or terminates a driver's ability to work for the TNC. A deactivation policy must include information specific enough for a driver to understand, including reasons for, and if known, the length of the deactivation, and procedure and notice requirements for deactivation including the procedures for appealing the deactivation, and the policies must include a definition of serious misconduct. The TNC must provide a copy of the policy to the drivers each year in many commonly spoken languages and is enforceable as part of the driver's contract with the TNC.

Deactivation rules under this section do not apply to deactivations that occur for economic reasons and are not targeted at a particular driver.

**Section Description – Article 17: Transportation Network Companies**

---

This section provides:

- that a TNC cannot deactivate a driver for a violation not reasonably understood to be part of the TNC’s deactivation policy, accepting or rejecting a ride for nondiscriminatory reasons, working too few hours, making a statement about compensation or working conditions, or asserting their rights under the law;
- that there must be a written notice provided to the driver at the time of the deactivation, or within three days, for a deactivation for serious misconduct. The notice must include the reason, anticipated length, and start date of the deactivation, as well as information and instructions for if or how the deactivation can be reversed or challenged by the driver, including a driver’s option to appeal the deactivation under subdivision 5, and notice that the driver can obtain assistance from a third-party driver advocacy group;
- a TNC must contract with an independent, not-for-profit, third-party driver advocacy group to provide services to drivers at no cost, including assistance on deactivation appeals, education and outreach to drivers on rights and remedies under the law, and related technical and legal assistance. The organization cannot be excessively influenced by the TNC, including day-to-day operations or determining who receives assistance;
- timelines for appealing a deactivation and for ruling on an appeal, the option for a driver to have assistance, and how the TNC must consider evidence related to the deactivation, including any information presented by the driver. Allows reasonable compensation when the deactivation occurred due to a technical issue up to 21 days; and
- drivers deactivated after January 1, 2021, and before November 1, 2024, who have not already been reinstated, have an opportunity to appeal their deactivation, within 90 days of enactment.

Effective date: Applies to deactivations on or after December 1, 2024, except as provided for prior deactivations.

**6 [181C.05] Enforcement.**

Provides enforcement for chapter 181C. Gives the Department of Labor and Industry (DLI) exclusive authority to enforce the notice and pay transparency and minimum compensation sections under its compliance order authority. Makes existing or new contract provisions that violate chapter 181C unenforceable, and allows a driver to bring a district court action under applicable contract law, unless a valid arbitration agreement exists under section 181C.08. Prohibits retaliation against a driver for bringing a complaint or supporting enactment or enforcement of the chapter.

**Section Description – Article 17: Transportation Network Companies**

---

- 7      **[181C.06] Discrimination prohibited.**  
Prohibits discrimination against a driver by a TNC company based on a protected status, and allows the driver to use the remedies available under the Minnesota Human Rights Act, including a civil or administrative action.
- 8      **[181C.07] Collective bargaining; employment status.**  
Clarifies that nothing in this act prohibits collective bargaining or shall be construed to determine or otherwise modify the employment status of a TNC driver.
- 9      **[181C.08] Arbitration; requirements.**  
Allows a driver to opt out of arbitration with a TNC, and clarifies that a driver who elects arbitration cannot file a district court action. Makes Minnesota the venue to the extent possible and applies the rights and remedies under chapter 181C as the governing law for any arbitration between a Minnesota driver and a TNC. Allows a driver to appear by electronic means if an arbitration cannot take place in Minnesota. Requires joint selection of arbitrators using the Minnesota Supreme Court Alternative Dispute Resolution list and selection by a case manager according to best practices of the American Arbitration Association if the two sides cannot mutually agree. Requires an addendum to existing contracts providing notice of the election of remedies and a copy of chapter 181C.
- 10     **[18C.09] Revocation of license.**  
Allows a city or local government to revoke a license or refuse to issue a license to a TNC based on violations of this chapter. Allows DLI to provide compliance order data to a local government unit for this purpose.
- 11     **[181C.10] Statewide regulations.**  
Prohibits and preempts any enactment or enforcement of a local government regulation, ordinance, or local law, or a data requirement, related to TNCs or drivers on any matter addressed under section 65B.472 and chapter 181C. Does not impact local control on matters unrelated to that section or chapter.  
  
Effective date: Effective the day following final enactment. And preempts any conflicting ordinance, local law, or regulation existing on that date as specified.
- 12     **Appropriation.**  
Appropriates money to DLI for fiscal year 2025 and beyond for the purposes of enforcement, education, and outreach of sections 181C.02 and 181C.03.

## Article 18: Transfer Care Specialists

This article authorizes transfer care specialists who are registered with the commissioner of health to remove and transport dead human bodies from the place of death to a licensed funeral establishment. It also provides for registration of transfer care specialists by the commissioner of health.

### Section Description – Article 18: Transfer Care Specialists

---

- 1 Exceptions to licensure.**  
Amends § 149A.01, subd. 3. Adds transfer care specialists to the list of individuals not required to be licensed under chapter 149A to perform functions under that chapter, provided the transfer care specialist is registered according to section 149A.47.
- 2 Direct supervision.**  
Amends § 149A.02, subd. 13a. Amends the definition of direct supervision to require, for supervision of transfer care specialists, the supervising mortician to be physically present or available by telephone to advise transfer care specialists; and to specify the supervising mortician is accountable for any violation of law or rule by the transfer care specialist.
- 3 Transfer care specialist.**  
Adds subd. 37d to § 149A.02. Defines transfer care specialist as an individual registered with the commissioner of health under section 149A.47 (a new section establishing registration requirements for transfer care specialists) and authorized to remove dead human bodies from the place of death under the direct supervision of a licensed mortician.
- 4 Duties of commissioner.**  
Amends § 149A.03. Amends the duties of the commissioner of health related to mortuary science, to include registering transfer care specialists.
- 5 Denial; refusal to reissue; revocation; suspension; limitation of license, registration, or permit.**  
Amends § 149A.09. Amends a section governing the commissioner’s authority to take action against mortuary science licenses and permits, to also allow the commissioner to take action against mortuary science registrations. Adds acts related to registration and qualifications for registration to the grounds for disciplinary action, and provides a right to a hearing before the commissioner takes action against a registration. Allows the commissioner to restore a registration in certain circumstances.

**Section Description – Article 18: Transfer Care Specialists**

---

**6 Publication of disciplinary actions.**

Amends § 149A.11. Requires the commissioner to publish disciplinary actions taken against transfer care specialists, in addition to disciplinary actions taken against licensees and interns as in current law.

**7 Transfer care specialist.**

Adds § 149A.47. Authorizes transfer care specialists to remove dead human bodies from the place of death, and establishes requirements for registration and registration renewal.

**Subd. 1. General.** Allows a transfer care specialist to remove a dead human body from the place of death if the transfer care specialist is registered with the commissioner and is an employee of a licensed funeral establishment, and prohibits a transfer care specialist from practicing mortuary science except as provided in this section.

**Subd. 2. Registration.** Lists items an applicant must submit to the commissioner for registration. Provides registrations are valid from January 1 to December 31.

**Subd. 3. Duties.** Allows a transfer care specialist to remove dead human bodies from the place of death to a licensed funeral establishment, and requires a transfer care specialist to comply with universal precautions and to work under direct supervision of a licensed mortician. Allows a licensed mortician to supervise up to four transfer care specialists at once, and provides the supervising mortician is responsible for the work performed by the mortician's supervisees.

**Subd. 4. Training program and continuing education.** Prior to initial registration, requires a transfer care specialist to complete a training program that is at least seven hours long and covers the listed topics. Requires a transfer care specialist to complete three hours of continuing education annually and to submit evidence of completing continuing education with the individual's registration renewal.

**Subd. 5. Renewal.** Requires a registration to be renewed to remain valid, and lists items that must be submitted to renew a registration.

**8 Prohibited conduct.**

Amends § 149A.60. Allows the commissioner to take disciplinary action if a person fails to comply with registration requirements (current law allows the commissioner to take disciplinary action if a person fails to comply with laws, rules, orders, agreements, licenses, and permits).

**Section Description – Article 18: Transfer Care Specialists**

---

- 9        **Licensees, interns, and transfer care specialists.**  
Amends § 149A.61, subd. 4. Adds transfer care specialists to the individuals and entities permitted to report to the commissioner any act that is a ground for disciplinary action under chapter 149A.
- 10       **Courts.**  
Amends § 149A.61, subd. 5. Requires court administrators to report to the commissioner: any determination that a transfer care specialist is mentally ill, mentally incompetent, or guilty of a crime; appointment of a guardian or conservator for a transfer care specialist; or a civil commitment of a transfer care specialist.
- 11       **Immunity; reporting.**  
Amends § 149A.62. Extends immunity from civil liability or criminal prosecution to a transfer care specialist who reports to the commissioner, grounds for disciplinary action or violations of chapter 149A. Allows the commissioner to impose disciplinary action against a transfer care specialist who self-reports a violation.
- 12       **Professional cooperation.**  
Amends § 149A.63. Adds transfer care specialists to the list of individuals and entities required to cooperate with inspections and investigations by the commissioner or a designee.
- 13       **Mortuary science fees.**  
Amends § 149A.65, subd. 2. Establishes fees in blank amounts for registration and registration renewal of transfer care specialists.
- 14       **Advertising.**  
Amends § 149A.70, subd. 3. Adds transfer care specialists to the list of individuals and entities prohibited from publishing false, misleading, or deceptive advertising.
- 15       **Solicitation of business.**  
Amends § 149A.70, subd. 4. Adds transfer care specialists to the list of individuals and entities prohibited from paying for the business of disposing of a dead human body.
- 16       **Reimbursement prohibited.**  
Amends § 149A.70, subd. 5. Adds transfer care specialists to the list of individuals and entities prohibited from offering or accepting reimbursement for recommending or causing a dead human body to be disposed of by a specific program or establishment.

**Section Description – Article 18: Transfer Care Specialists**

---

- 17     **Unprofessional conduct.**  
Amends § 149A.70, subd. 7. Adds transfer care specialists to the list of individuals and entities prohibited from engaging in unprofessional conduct.
- 18     **Removal from place of death.**  
Amends § 149A.90, subd. 2. Adds registered individuals to the individuals and entities authorized to remove or cause to be removed a dead human body from the place of death.
- 19     **Certificate of removal.**  
Amends § 149A.90, subd. 4. Adds transfer care specialists to the list of individuals who must complete a certificate of removal when removing a dead human body from the place of death.
- 20     **Retention of certificate of removal.**  
Amends § 149A.90, subd. 5. Amends a subdivision governing retention of certificates of removal, to require a transfer care specialist not employed by the funeral establishment to which the body was taken to retain a copy of the certificate at the transfer care specialist’s business address for three years after the date of removal.

## **Article 19: Behavior Analyst Licensure**

This article establishes licensure for behavior analysts to practice applied behavior analysis, establishes the Behavior Analyst Advisory Council, and specifies fees.

**Section Description – Article 19: Behavior Analyst Licensure**

---

- 1     **Definitions.**  
Proposes coding for § 148.9981. Defines the following terms for behavior analyst licensing sections of statute:
- Accredited school or educational program
  - Advisory council
  - Board
  - Certifying entity
  - Client
  - Licensed behavior analyst
  - Licensee
  - Practice of applied behavior analysis

**Section Description – Article 19: Behavior Analyst Licensure**

---

Makes this section effective July 1, 2024.

**2 Duties of the Board of Psychology.**

Proposes coding for § 148.9982. Requires the Board of Psychology, in consultation with the newly established Behavior Analyst Advisory Council, to carry out licensing, disciplinary, and educational duties related to behavior analyst licensure. Allows the board to adopt rules necessary to carry out behavior analyst licensure provisions.

Makes this section effective July 1, 2024.

**3 Requirements for licensure.**

Proposes coding for § 148.9983.

**Subd. 1. General.** Requires an individual seeking licensure as a behavior analyst to complete and submit a written application on forms provided by the board, with the appropriate fee.

**Subd. 2. Requirements for licensure.** Requires an applicant for licensure to submit evidence to the board that the applicant has a current, active national certification as a behavior analyst or has completed equivalent certification requirements, including passing a valid examination.

**Subd. 3. Background investigation.** Requires the applicant to sign a release related to background check information; requires listed agencies to provide background investigation information and data; allows the board to contract with the Department of Human Services to obtain criminal history data. Classifies background check information as private data.

Makes this section effective July 1, 2024.

**4 License renewal requirements.**

Proposes coding for § 148.9984. Requires biennial licensure renewal and establishes renewal notice requirements, renewal requirements, a pending renewal policy, and a late renewal fee.

Makes this section effective July 1, 2024.

**5 Expired license.**

Proposes coding for § 148.9985. Establishes policies and timelines related to license expiration and termination.

Makes this section effective July 1, 2024.



**Section Description – Article 19: Behavior Analyst Licensure**

---

**6 Prohibited practice or use of titles; penalty.**

Proposes coding for § 148.9986. Effective January 1, 2025, prohibits the unlicensed (or unexempt) practice of applied behavior analysis; specifies that a licensed psychologist is not required to obtain a behavior analyst license to engage in applied behavior analysis.

Lists protected titles to be used only by licensed behavior analysts. Provides an exemption for a licensed psychologist to use the title “behavior analyst.”

Makes this section effective July 1, 2024.

**7 Exceptions to license requirement.**

Proposes coding for § 148.9987. Specifies that behavior analyst licensure provisions do not prohibit or restrict:

- 1) the licensed or supervised practice of psychology;
- 2) the practice of any other profession or occupation licensed, certified, or registered by the state by an individual duly licensed, certified, or registered to practice the profession or occupation;
- 3) school district employees from providing behavior analysis as part of their employment, under certain conditions;
- 4) employees of DHS-licensed disability services programs from providing specified intervention services;
- 5) teaching behavior analysis or conducting research;
- 6) the provision of behavior analysis services by an unlicensed supervisee or trainee, in compliance with supervision requirements;
- 7) a family member or guardian of a behavior analysis service recipient from performing behavior analysis as authorized and directed by a licensed behavior analyst; and
- 8) students or interns completing practicums in behavior analysis.

Allows a licensed psychologist to supervise an unlicensed supervisee, trainee, student, or intern engaging in the practice of behavior analysis.

Makes this section effective July 1, 2024.

**8 Nontransferability of licenses.**

Proposes coding for § 148.9988. Specifies that a behavior analyst license is not transferable.

Makes this section effective July 1, 2024.

**Section Description – Article 19: Behavior Analyst Licensure**

---

- 9      **Duty to maintain current information.**  
Proposes coding for § 148.9989. Requires licensees and applicants to notify the board of a change of contact information or other change in application information within 30 days.  
  
Makes this section effective July 1, 2024.
- 10     **Discipline; reporting.**  
Proposes coding for § 148.999. Specifies that licensed psychologist disciplinary provisions apply to behavior analysts.  
  
Makes this section effective July 1, 2024.
- 11     **Competent provision of services.**  
Proposes coding for § 148.9991. Requires behavior analysts to limit their practice to the client populations and services for which they have competence. Specifies requirements for a behavior analyst developing competence. Requires behavior analysts to recognize the limitations on the scope of practice of applied behavior analysis and inform clients of other resources accordingly. Establishes that the burden of proof is on the behavior analyst when a complaint is submitted to the board regarding competency.  
  
Makes this section effective July 1, 2024.
- 12     **Duty to warn; limitation on liability; violent behavior of patient.**  
Proposes coding for § 148.9992. Defines “other person,” “reasonable efforts,” and “licensee” for purposes of this section.  
  
Establishes a duty to predict, warn of, or take reasonable precautions to provide protection from violent behavior only when there is a specific, serious threat or physical violence against a specific potential victim. Establishes a standard of liability and immunity from breach of confidence for compliance with the duty to warn.  
  
Specifies that circumstances leading to a duty to warn do not authorize termination of services unless the client is referred elsewhere. Provides that this section does not apply to a threat of suicide or self-harm, or to a threat made by a person committed as having a mental illness and dangerous to the public. Allows for optional disclosure and provides limitation on liability.  
  
Makes this section effective July 1, 2024.

**Section Description – Article 19: Behavior Analyst Licensure**

---

**13 Informed consent.**

Proposes coding for § 148.9993. Establishes requirements for obtaining informed consent for services and updating informed consent; provides exception for crisis or emergency services.

Makes this section effective July 1, 2024.

**14 Behavior Analyst Advisory Council.**

Proposes coding for § 148.9994. Creates the Behavior Analyst Advisory Council, to advise the Board of Psychology on standards for behavior analysts. Lists the membership and duties of the council.

Makes this section effective July 1, 2024.

**15 Fees.**

Proposes coding for § 148.9995. Establishes application, licensing, and processing fees for behavior analyst licensure; specifies that fees are nonrefundable and are required to be deposited in the state government special revenue fund.

Makes this section effective July 1, 2024.

**16 Initial Behavior Analyst Advisory Council.**

Specifies requirements for the first appointments to the Behavior Analyst Advisory Council, first meeting, and election of a chair.

Makes this section effective July 1, 2024.

## **Article 20: Board of Veterinary Medicine**

This article establishes licensure for veterinary technicians, makes related changes, and modifies institutional licensure requirements for any person who is not eligible for a regular veterinary license seeking to practice veterinary medicine while employed by the University of Minnesota.

**Section Description – Article 20: Board of Veterinary Medicine**

---

**1 Direct supervision.**

Amends § 156.001 by adding subdivision 5a, defining “direct supervision” for purposes of veterinary practice.

Makes this section effective July 1, 2026.

**Section Description – Article 20: Board of Veterinary Medicine**

---

**2 Licensed veterinary technician.**

Amends § 156.001 by adding subdivision 7a, defining “licensed veterinary technician.”

Makes this section effective July 1, 2026.

**3 Remote supervision.**

Amends § 156.001 by adding subdivision 10b, defining “remote supervision” for purposes of veterinary practice.

Makes this section effective July 1, 2026.

**4 Veterinary technology.**

Amends § 156.001 by adding subdivision 12, defining “veterinary technology.”

Makes this section effective July 1, 2026.

**5 License renewal.**

Amends § 156.07. Makes conforming changes to add veterinary technology practice.

Makes this section effective July 1, 2026.

**6 Institutional licensure.**

Proposes coding for § 156.0721.

**Subd. 1. Application and eligibility.** Paragraph (a) requires any person who seeks to practice veterinary medicine while employed by the University of Minnesota, and who is not eligible for a regular veterinary license, to apply to the Board of Veterinary Medicine for an institutional license. Lists qualifications for an institutional license.

Paragraph (b) allows the University of Minnesota to submit applications on behalf of its employees seeking institutional licensure.

Paragraph (c) establishes the institutional licensure fee and payment and renewal deadlines as the same as the regular veterinary practice license.

Paragraph (d) specifies that the University of Minnesota may be responsible for payment of renewal fees and submission of renewal forms.

**Subd. 2. Scope of practice.** Specifies that an institutional license holder may practice veterinary medicine only as related to the license holder's regular function at the University of Minnesota, and may only be paid for services through state, federal, or institutional funds. Requires cancellation of the license

**Section Description – Article 20: Board of Veterinary Medicine**

---

upon notice that the licensee is no longer employed by the University of Minnesota. Requires an institutional licensee to abide by all laws governing the practice of veterinary medicine in Minnesota; specifies that such licensees are subject to the same disciplinary actions as any other licensed veterinarian.

Makes this section effective July 1, 2025.

**7 Direct supervision; unlicensed veterinary employees.**

Proposes coding for § 156.076. Requires direct supervision of a licensed veterinarian or licensed veterinary technician for an unlicensed veterinary employee to administer medication or render assistance. Lists allowable tasks for unlicensed veterinary employees that do not require direct supervision.

Makes this section effective July 1, 2026.

**8 Licensed veterinary technicians.**

Proposes coding for § 156.077.

**Subd. 1. Licensure; practice.** Requires the Board of Veterinary Medicine to issue veterinary technician licenses to qualified applicants, to practice veterinary technology. Specifies title protection for licensed veterinary technicians; allows the board to adopt rules related to veterinary technician licensure.

**Subd. 2. Applicants; qualification.** Establishes application requirements and lists required educational and examination qualifications for veterinary technician licensure.

**Subd. 3. Required with application.** Lists information and materials that must be included in an application for veterinary technician licensure.

**Subd. 4. Temporary alternative qualifications.** Requires the board to consider a licensure application submitted before July 1, 2030, if the application contains evidence that the person meets alternative qualifications, including existing veterinary technician certification, a specified number of practice hours within the past five years, and references via affidavits.

Makes this section effective July 1, 2026.

**9 Nonresidents; licensed veterinary technicians.**

Proposes coding for § 156.078. Specifies licensure application requirements for veterinary technicians licensed in other jurisdictions to transfer licensure to Minnesota.

**Section Description – Article 20: Board of Veterinary Medicine**

---

Makes this section effective July 1, 2026.

**10 Authorized activities.**

Amends § 156.12, subd. 2. Updates cross-reference; removes College of Agriculture, adds School of Nursing, moves Veterinary Diagnostic Laboratory language.

Makes this section effective July 1, 2025.

**11 Titles.**

Amends § 156.12, subd. 4. Adds institutional license to title protection.

Makes this section effective July 1, 2025.

**12 Repealer.**

Repeals § 156.12, subd. 6 (practice of veterinary medicine; faculty licensure).

Makes this section effective July 1, 2025.

## **Article 21: Board of Dentistry**

This article allows specialty dentists who hold general dental licenses to practice general dentistry outside of their designated specialty area and modifies a requirement for dental assistant licensure by credential.

**Section Description – Article 21: Board of Dentistry**

---

**1 Specialty dentists.**

Amends § 150A.06, subd. 1c. Strikes language so that a specialty dentist holding a general dental license, who has announced a limitation of practice, is no longer restricted to practicing in the dentist's designated specialty area.

**2 Licensure by credentials; dental assistant.**

Amends §150A.06, subd. 8. Modifies one of the requirements for dental assistant licensure by credential so that an applicant can either have graduated from a dental assisting program accredited by the Commission on Dental Accreditation or be currently certified by the Dental Assisting National Board.

## Article 22: Physician Assistant Practice

This article repeals section 147A.09, subdivision 5, which contains collaborative practice agreement requirements for physician assistants to provide ongoing psychiatric treatment. Under current law, a physician assistant must have an additional practice agreement with a licensed physician in order to provide ongoing psychiatric treatment, that defines the collaboration and includes appropriate psychiatric consultation or referral.

## Article 23: Board of Social Work

This article reorganizes and modifies sections of statute governing Board of Social Work provisional licensure. It modifies requirements related to eligibility, disciplinary action, and supervision, includes a revisor instruction to renumber listed social work provisional license sections of statute, and repeals a subdivision governing immediate revocation of a provisional license.

### Section Description – Article 23: Board of Social Work

---

- 1 Requirements for a provisional license.**  
Amends § 148D.061, subd. 1. Removes provisional license requirements, including the requirements to: (1) have been born in a foreign country; (2) communicate in English as a second language; and (3) have taken specified examinations. Makes conforming technical changes. Makes this section effective October 1, 2024.
- 2 Disciplinary or other action.**  
Amends § 148D.061, subd. 8. Specifies that a provisional licensee is subject to the Board of Social Work grounds for disciplinary action. Makes this section effective October 1, 2024.
- 3 Types of supervision.**  
Amends § 148D.062, subd. 3. Modifies types of supervision hours, so that half of the 50 total hours must be one-on-one supervision, either in person or via eye-to-eye electronic media, and the other half must be via one-on-one supervision, either in person or via eye-to-eye electronic media, or group supervision not to exceed six supervisees, either in person, by telephone, or via eye-to-eye electronic media. Prohibits supervision via email. Makes this section effective October 1, 2024.
- 4 Supervisor requirements.**  
Amends § 148D.062, subd. 4. Removes 5,000-hour experience requirement for a supervisor of a provisional licensee. Adds to list of supervisors: licensed graduate social workers who have completed supervised practice requirements; licensed independent social workers; or licensed independent clinical social workers. Makes this section effective October 1, 2024.

**Section Description – Article 23: Board of Social Work**

---

- 5      **Supervision plan.**  
Amends § 148D.063, subd. 1. Removes board authority to revoke a provisional license for failure to submit the supervision plan within 30 days. Removes requirement for one-on-one supervision to be in-person. Makes this section effective October 1, 2024.
- 6      **Evaluation.**  
Amends § 148D.063, subd. 2. For an evaluation of a provisional licensee submitted to the board by the supervisor, removes requirement to evaluate “ensuring continuing competence.” Makes this section effective October 1, 2024.
- 7      **Qualifications for licensure by completion of provisional licensure requirements as a licensed social worker (LSW).**  
Amends § 148E.055 by adding subd. 2b. Adds requirements that must be provided to the board to be licensed as a licensed social worker by completion of provisional license requirements. Makes this section effective October 1, 2024.
- 8      **Qualifications for licensure by completion of provisional licensure requirements as a licensed graduate social worker (LGSW).**  
Amends § 148E.055 by adding subd. 2b. Adds requirements that must be provided to the board to be licensed as a licensed graduate social worker by completion of provisional license requirements. Makes this section effective October 1, 2024.
- 9      **Qualifications for licensure by completion of provisional licensure requirements as a licensed independent social worker (LISW).**  
Amends § 148E.055 by adding subd. 2b. Adds requirements that must be provided to the board to be licensed as a licensed independent social worker by completion of provisional license requirements. Makes this section effective October 1, 2024.
- 10     **Qualifications for licensure by completion of provisional licensure requirements as a licensed independent clinical social worker (LICSW).**  
Amends § 148E.055 by adding subd. 2b. Adds requirements that must be provided to the board to be licensed as a licensed independent clinical social worker by completion of provisional license requirements. Makes this section effective October 1, 2024.
- 11     **Revisor instruction.**  
Instructs the revisor to renumber the three remaining sections on provisional licensure from Chapter 148D to Chapter 148E, where the rest of the Board of Social Work Practice statutes are located. Makes this section effective October 1, 2024.



**Section Description – Article 23: Board of Social Work**

---

**12 Repealer.**

Repeals section 148D.061, subd. 9 (revocation of provisional license). Makes this section effective October 1, 2024.

## **Article 24: Board of Marriage and Family Therapy**

This article establishes time-limited guest licensure for the Board of Marriage and Family Therapy, for eligible nonresidents who wish to temporarily practice marriage and family therapy in Minnesota without being licensed by the board.

**Section Description – Article 24: Board of Marriage and Family Therapy**

---

**1 Guest licensure.**

Proposes coding for § 148B.331.

**Subd. 1. Generally.** Establishes guest licensure application and eligibility requirements. Requires a nonresident who intends to practice marriage and family therapy in Minnesota to apply for guest licensure at least 30 days before the expected date of practice in Minnesota. Lists eligibility requirements for guest licensure related to credentials in other jurisdictions, education, character, conduct, a background check, and payment of fees.

Specifies that a guest license is valid for one year from the date of issuance, for guest practice for up to five months, and is not renewable.

**Subd. 2. Other professional activity.** Allows a nonresident to serve as an expert witness, organizational consultant, presenter, or educator without obtaining a guest license, provided that the nonresident is credentialed in another jurisdiction or otherwise appropriately trained and educated.

**Subd. 3. Prohibitions and sanctions.** Specifies that guest licensure practice privilege is subject to prohibitions and sanctions in existing marriage and family therapy law and rules.

Makes this section effective October 1, 2024.

**2 Licensure and application fees.**

Amends § 148B.392, subd. 2. Sets guest licensure fee and makes clarifying changes. Makes this section effective October 1, 2024.

## Article 25: Speech-Language Pathology Assistant Licensure

This article establishes licensure for speech-language pathology assistants and makes necessary conforming changes.

### Section Description – Article 25: Speech-Language Pathology Assistant Licensure

---

- 1        **Criminal history background check requirements.**  
Amends § 144.0572, subd. 1. Adds speech-language pathology assistants to background check requirements. Makes section effective July 1, 2025.
- 2        **Scope.**  
Amends § 148.511. Adds speech-language pathology assistant practice to scope for sections 148.511 to 148.5198. Makes section effective July 1, 2025.
- 3        **Speech-language pathology assistant.**  
Amends § 148.512, subd. 17a. Adds cross-reference to speech-language pathology assistant qualifications. Makes section effective July 1, 2025.
- 4        **Unlicensed practice prohibited.**  
Amends § 148.513, subd. 1. Adds speech-language pathology assistant practice to prohibition on unlicensed practice. Makes conforming change. Makes section effective July 1, 2025.
- 5        **Protected titles and restrictions on use; speech-language pathologists and audiologists.**  
Amends § 148.513, subd. 2. Makes conforming changes. Makes section effective July 1, 2025.
- 6        **Protected titles and restrictions on use; speech-language pathology assistant.**  
Amends § 148.513 by adding subd. 2b. Adds title protections for licensed speech-language pathology assistants. Makes section effective July 1, 2025.
- 7        **Exemption.**  
Amends § 148.513, subd. 3. Makes conforming changes. Makes section effective July 1, 2025.
- 8        **General licensure qualifications.**  
Amends § 148.514, subd. 2. Makes conforming changes. Makes section effective July 1, 2025.

**Section Description – Article 25: Speech-Language Pathology Assistant Licensure**

---

- 9        **Applicability.**  
Amends § 148.515, subd. 1. Makes conforming change. Makes section effective July 1, 2025.
- 10       **Licensure following lapse of licensure status.**  
Amends § 148.518. Makes conforming changes; adds subdivision 2, outlining requirements for licensure after lapse for speech-language pathology assistants. Makes section effective July 1, 2025.
- 11       **Licensure; speech-language pathology assistants.**  
Proposes coding for § 148.5181. Outlines degree, coursework, and continuing education requirements for speech-language pathology assistant licensure, and specifies conditions for licensure reciprocity for speech-language pathology assistants licensed in another state. Makes this section effective July 1, 2025.
- 12       **Applications for licensure; speech-language pathologists and audiologists.**  
Amends § 148.519, subd. 1. Makes conforming changes. Makes section effective July 1, 2025.
- 13       **Applications for licensure; speech-language pathology assistants.**  
Amends § 148.519 by adding subd. 1a. Lists application requirements for speech-language pathology assistant licensure. Makes section effective July 1, 2025.
- 14       **Renewal requirements.**  
Amends § 148.5191, subd. 1. Makes conforming change. Makes section effective July 1, 2025.
- 15       **Renewal requirements; speech-language pathology assistant.**  
Amends § 148.5191 by adding subd. 1a. Provides licensure renewal requirements for speech-language pathology assistants. Makes section effective July 1, 2025.
- 16       **Delegation requirements.**  
Amends § 148.5192, subd. 1. Makes conforming changes in section governing delegation of duties to speech-language pathology assistants, to account for establishment of licensure. Makes section effective July 1, 2025.
- 17       **Delegated duties; prohibitions.**  
Amends § 148.5192, subd. 2. Modifies list of duties that may be delegated to speech-language pathology assistants to include writing progress notes. Modifies list of prohibitions for speech-language pathology assistants related to feeding and swallowing plan strategy demonstration, parent or case conferences and interdisciplinary team meetings, and disclosure of information to other team

**Section Description – Article 25: Speech-Language Pathology Assistant Licensure**

---

- members. Specifies document cosigning requirements. Makes section effective July 1, 2025.
- 18     **Supervision requirements.**  
Amends § 148.5192, subd. 3. Adds minimum consultative supervision time for speech-language pathology assistants; increases supervisor continuing education in supervision from one to ten hours; modifies supervision and cotreatment schedule; allows for remote supervision; allows for a supervisor to supervise up to two assistants. Makes section effective July 1, 2025.
- 19     **Number of contact hours required; speech-language pathologists and audiologists.**  
Amends § 148.5193, subd. 1. Makes conforming change. Makes section effective July 1, 2025.
- 20     **Continuing education; speech-language pathology assistants.**  
Amends § 148.5193 by adding subd. 1a. Outlines continuing education requirements for speech-language pathology assistants. Makes section effective July 1, 2025.
- 21     **Speech-language pathology assistant licensure fees.**  
Amends § 148.5194 by adding subd. 3b. Establishes initial licensure and renewal fees for speech-language pathology assistants. Makes this section effective July 1, 2025.
- 22     **Penalty fees.**  
Amends § 148.5194, subd. 8. Makes conforming changes. Adds penalty fees for licensed speech-language pathology assistants who fail to submit continuing education reports as required. Makes section effective July 1, 2025.
- 23     **Grounds for disciplinary action by commissioner.**  
Amends § 148.5195, subd. 3. Makes conforming changes. Makes section effective July 1, 2025.
- 24     **Consequences of disciplinary actions.**  
Amends § 148.5195, subd. 5. Makes conforming changes. Makes section effective July 1, 2025.
- 25     **Reinstatement requirements after disciplinary action.**  
Amends § 148.5195, subd. 6. Makes conforming change. Makes section effective July 1, 2025.

**Section Description – Article 25: Speech-Language Pathology Assistant Licensure**

---

**26 Membership.**

Amends § 148.5196, subd. 1. Adds licensed speech-language pathology assistant member to the Speech-Language Pathologist and Audiologist Advisory Council. Makes section effective July 1, 2025.

**27 Duties.**

Amends § 148.5196, subd. 3. Makes conforming changes. Makes section effective July 1, 2025.

**28 Applicants, licensees, and other occupations regulated by the commissioner of health.**

Amends § 245C.031, subd. 4. Makes conforming change in background study statute. Makes section effective July 1, 2025.

## **Article 26: Physician Assistant Licensure Compact**

This article provides the language for and enacts the physician assistant licensure compact, authorizing physician assistants licensed in other participating states to exercise compact privilege and engage in PA practice in Minnesota, under Minnesota’s practice regulations. The article also directs the Board of Medical Practice to publish the effective date of the compact in the State Register and on the board’s website.

## **Article 27: Occupational Therapy Licensure Compact**

This article provides the language for and enacts the occupational therapy licensure compact, authorizing occupational therapists and occupational therapy assistants licensed in other participating states to exercise compact privilege and engage in occupational therapy practice in Minnesota, under Minnesota’s practice regulations.

## **Article 28: Physical Therapy Licensure Compact**

This article provides the language for and enacts the physical therapy licensure compact, authorizing occupational therapists and physical therapist assistants licensed in other participating states to exercise compact privilege and engage in physical therapy practice in Minnesota, under Minnesota’s practice regulations. The article also directs the Board of Physical Therapy to publish the effective date of the compact in the State Register and on the board’s website.

### **Article 29: Licensed Professional Counselor Compact**

This article provides the language for and enacts the licensed professional counselor compact, authorizing licensed professional counselors licensed in other participating states to exercise a practice privilege under the compact and engage in professional counseling practice in Minnesota, under Minnesota's practice regulations.

### **Article 30: Audiology and Speech-Language Pathology Compact**

This article provides the language for and enacts the audiology and speech-language pathology compact, authorizing audiologists and speech-language pathologists licensed in other participating states to exercise compact privilege and engage in audiology and speech-language pathology practice in Minnesota, under Minnesota's practice regulations. The article also specifies that rules made by the compact commission are not subject to Minnesota statutes governing rulemaking, and authorizes the commissioner of health to require Minnesota licensees to submit to a criminal history background check.

### **Article 31: Dentist and Dental Hygienist Compact**

This article provides the language for and enacts the dentist and dental hygienist compact, authorizing dentists and dental hygienists licensed in other participating states to exercise compact privilege and engage in dental and dental hygienist practice in Minnesota, under Minnesota's practice regulations.

### **Article 32: Social Work Services Licensure Compact**

This article provides the language for and enacts the social work service licensure compact, authorizing social workers licensed in other participating states to exercise compact privilege and engage in social work services practice in Minnesota, under Minnesota's practice regulations.

### **Article 33: Appropriations**

This article appropriates money from the state government special revenue fund to the commissioner of health, Board of Psychology, Board of Veterinary Medicine, Board of Dentistry, Board of Marriage and Family Therapy, Board of Social Work, Board of Behavioral Health and Therapy, Board of Medical Practice, Board of Occupational Therapy Practice, and Board of Physical Therapy for the modifications and compacts contained in articles 18 to 32.

## Article 34: Higher Education Appropriations

This article contains changes to higher education appropriations in existing law and makes one new appropriation.

### Section Description – Article 34: Higher Education Appropriations

---

- 1 Appropriation; ALS research.**  
Amends a prior appropriation to OHE for competitive grants to fund ALS research to extend the availability of the funds to June 30, 2029, and allow up to \$15,000,000 to be given as a grant to external organizations to award and administer the ALS research grants under the terms of this section. External organizations may use up to a total of five percent of the appropriation for administrative expenses.
- 2 Hunger-free campus grants.**  
Amends a prior appropriation to OHE to clarify that the \$500,000 reserved for equipment grants is available until June 30, 2026.
- 3-4 Fostering independence higher education grants; North Star Promise.**  
These two sections amend prior appropriations to OHE in fiscal year 2025 to shift \$5,040,000 from the North Star Promise (NSP) program to the fostering independence grant (FIG) program to cover a shortfall in FIG. This is a onetime adjustment and does not affect the base appropriation for either program.
- 5 University of Minnesota—Operations and maintenance.**  
Amends a 2023 UMN appropriation rider for the Medical School on the CentraCare Health System Campus in St. Cloud to change the specific purposes for which the money may be used.
- 6 Appropriation; Kids on Campus initiative.**  
Provides a onetime general fund appropriation of \$500,000 in fiscal year 2025 to MnState to participate in the “Kids on Campus” initiative in partnership with Head Start. Allowable uses for the funding are listed in this section. The funds are available until June 30, 2026.

## Article 35: Policy Provisions

This article contains changes to higher education programs and regulations.

**Section Description – Article 35: Policy Provisions**

---

**1 Consideration of criminal records limited.**

Creates a new section regarding how postsecondary institutions may consider an applicant’s prior criminal records.

**Subd. 1. Applicability.** Applies to postsecondary institutions in Minnesota. UMN is requested to comply.

**Subd. 2. Definition.** Provides a list of offenses constituting “a violent felony or sexual assault” for purposes of this section. Includes equivalent offenses in other jurisdictions.

**Subd. 3. Consideration of criminal records limited.** Prohibits institutions from inquiring into or considering an applicant’s criminal record until after an offer of admission has been made. After an offer of admission, an institution may inquire about a violent felony or sexual assault conviction within the past five years, allowing the applicant an opportunity to provide an explanation and other information. An institution may rescind an offer of admission based on a conviction, but must give the applicant an opportunity to appeal that decision.

**Subd. 4. Other information.** Provides that this section does not prevent an institution, after making an offer of admission, from inquiring about an applicant’s conduct records at a prior postsecondary institution, nor does it limit an institution’s ability to inquire about a student’s ability to meet certain professional licensure requirements.

**Subd. 5. Limitation on admissibility.** Provides immunity from civil liability for an institution that admits a student with a criminal history or that admits a student without conducting a criminal background check. Specifies that this section does not require institutions to inquire into an applicant’s criminal history.

**2 American Indian Scholars—Eligibility.**

For the American Indian Scholars program created in 2023, adds an eligibility requirement of meeting satisfactory academic progress. This aligns the program’s eligibility criteria with similar state scholarships.

**3 Transcript access.**

Codifies and makes permanent the transcript access law. In the 2021 higher education bill, the legislature imposed certain prohibitions and requirements on postsecondary institutions regarding withholding student transcripts for nonpayment of debts. See [Laws 2021, 1<sup>st</sup> Spec. Sess. ch. 2, art. 2, § 44](#). That section expires June 30, 2024.

**Subd. 1. Definitions.** Defines key terms. The definition of “school” sets the scope and includes the Minnesota State Colleges and Universities (MnState) and private



**Section Description – Article 35: Policy Provisions**

---

institutions. The University of Minnesota (UMN) is requested to comply. No significant changes from the 2021 law.

**Subd. 2. Prohibited practices.** Prohibits a school from withholding a transcript due to an unpaid debt under the enumerated circumstances. As compared to the 2021 law, increases the threshold for de minimus debts from \$250 to \$1,000, and adds a prohibition on denying transcripts to incarcerated persons.

**Subd. 3. Institutional policy.** Requires institutions to have clear policies on debt collection and to limit the use of transcript withholding as a debt collection tool. Requires institutions to report to the Office of Higher Education (OHE) about transcript denials issued under the policies.

**4 Campus sexual misconduct policy.**

This section makes various changes to the existing statute requiring postsecondary institutions to adopt policies on sexual misconduct.

**Subd. 1. Applicability; policy required.** Removes an exemption for private institutions with enrollments under 100 students and replaces it with a provision that private institutions are subject to the section if they participate in federal financial aid programs. Specifies that the policy must apply to any school-related events or activities, whether occurring on or off school property.

**Subd. 1a. Definitions.** Adds the following definitions for relevant participants in investigations and disciplinary proceedings: “advisor,” “reporting party,” and “responding party.” Adds a broader term of “sexual misconduct,” which includes the existing defined term “sexual assault,” as well as several newly added terms: “domestic violence,” “intimate partner violence,” “sexual harassment,” and “stalking.” Conforming changes are made throughout this section.

**Subd. 2. Victims’ rights.** Gives a victim the right to not participate in investigations or disciplinary proceedings, or to not report sexual misconduct at all. Prohibits an institution from conditioning these rights, financial aid, or remedial actions on the victim entering into a nondisclosure agreement regarding the incident.

**Subd. 2a. Campus investigation and disciplinary hearing procedures.** Requires schools to respond to reports of sexual misconduct with appropriate investigations, disciplinary proceedings, and—if needed—remedial measures. Provides a role for an advisor to assist a party in a hearing.

**Subd. 3. Uniform amnesty.** Conforming changes only stemming from the new umbrella term “sexual misconduct.”

**Section Description – Article 35: Policy Provisions**

---

**Subd. 4. Coordination with local law enforcement.** Conforming changes only stemming from the new umbrella term “sexual misconduct.”

**Subd. 5. Online reporting system.** Conforming changes only stemming from the new umbrella term “sexual misconduct.”

**Subd. 6. Data collection and reporting.** Conforming changes only stemming from the new umbrella term “sexual misconduct.”

**Subd. 7. Access to data; audit trail.** Conforming changes only stemming from the new umbrella term “sexual misconduct.”

**Subd. 8. Comprehensive training.** Conforming changes stemming from the new umbrella term “sexual misconduct.” Also adds a requirement that trainings be culturally responsive.

**Subd. 9. Student health services.** Conforming changes only stemming from the new umbrella term “sexual misconduct.”

**Subd. 10. Applicability of other laws.** Conforming changes only stemming from the new umbrella term “sexual misconduct.”

This section is effective August 1, 2025.

**5 Navigators for parenting students.**

Creates a new requirement for postsecondary institutions to designate an employee as a “navigator” to assist parenting students.

**Subd. 1. Applicability.** Provides that this section applies to MnState and private institutions offering in-person classes in Minnesota. UMN is requested to comply.

**Subd. 2. Definitions.** Defines key terms.

**Subd. 3. Navigators.** Requires postsecondary institutions to provide navigators to assist parenting students with finding support services.

**Subd. 4. Report.** Requires institutions to report to OHE regarding enrolled students who are parents. Requires a report from OHE to the legislature on parenting students.

**6 Protections for pregnant and parenting students.**

This section creates new protections for pregnant and parenting students at public postsecondary institutions. These are requirements/prohibitions on MnState institutions, and are “requests” to UMN institutions.

**Section Description – Article 35: Policy Provisions**

---

**Subd. 1. Definition.** Defines “parenting student.”

**Subd. 2. Rights and protections.** Prohibits institutions from requiring a pregnant or parenting student to take any of the enumerated actions, which generally concern enrollment and course loads. Requires institutions to provide certain reasonable modifications and allowances, including leaves of absence, to pregnant students and those with medical conditions related to pregnancy or childbirth.

**Subd. 3. Policy on discrimination.** Requires institutions to adopt a policy on pregnancy and parenting discrimination.

**Subd. 4. Administration.** Requires OHE to establish guidelines as necessary to administer this section, including minimum durations for leaves of absence under subdivision 2.

**7 Inclusive Higher Education Technical Assistance Center—Reporting.**

Moves a reporting requirement from the inclusive higher education grant section (§ 135A.162) to the section on the Inclusive Higher Education Technical Assistance Center. The existing reporting requirement is repealed in section 48 of this article.

**8 Inclusive higher education grants—Eligible grantees.**

Adds Tribal colleges to the list of eligible institutions.

**9 Students with disabilities; accommodations; general requirements.**

Creates a new section regarding the rights of postsecondary students with disabilities and the obligations of postsecondary institutions towards those students.

**Subd. 1. Short title.** Provides a short title, the “Minnesota Respond, Innovate, Succeed, and Empower (RISE) Act.”

**Subd. 2. Definitions.** Defines key terms. The scope of application is set within the definition of “institution of higher education,” which includes public postsecondary institutions, Tribal colleges, and private institutions that receive federal funding. The University of Minnesota is requested to comply.

**Subd. 3. Students with disabilities policy; documentation; dissemination of information.** Requires institutional policies allowing a student with a disability to self-disclose (with supporting documentation listed in subdivision 4) to the institution. Mandates dissemination of the policy by the institution.

**Subd. 4. Establishment of reasonable accommodation; documentation.** Requires institutions to engage in an “interactive process” with the student to

**Section Description – Article 35: Policy Provisions**

---

establish reasonable accommodations. Lists forms of documentation that can establish that a student has a disability.

**Subd. 5. Higher education requirements for students with disabilities.** Places various obligations on institutions regarding interactions with students who have disabilities and provides certain rights to students with disabilities.

This section is effective January 1, 2025.

**10 Requirements related to online program management companies.**

Regulates contracts between MnState and UMN institutions and online program management companies (OPMs).

**Subd. 1. Definitions.** Defines key terms, including “online program management company” and “tuition sharing.” The scope of application is set within the definition of “institution of higher education,” which includes public postsecondary institutions. The University of Minnesota is requested to comply.

**Subd. 2. Contract stipulations.** Prohibits agreements with OPMs that: (1) allow tuition sharing; (2) limit intellectual property rights of faculty members; or (3) give OPMs control over institutional governance, curricula, educational programming, etc.

**Subd. 3. Mandatory contract review and approval.** Requires governing boards of public postsecondary systems to review and approve institutions’ contracts with OPMs.

**Subd. 4. Reporting requirements.** Requires institutions to report to their governing boards regarding OPM programs.

**Subd. 5. Marketing requirements.** Places public-facing transparency obligations on institutions regarding their relationships with OPMs.

**Subd. 6. Exemption.** Exempts from this section any addendum or amendment to a contract that was entered into before July 1, 2023, that increases or decreases the number of OPM-managed programs. The exemption expires July 1, 2028.

This section is effective July 1, 2024, and applies to contracts entered into on or after that date, subject to the exemption in subdivision 6.

**11 Consolidated student aid reporting.**

Allows OHE to consolidate its mandated reporting for multiple financial aid programs it administers.

**Section Description – Article 35: Policy Provisions**

---

- 12      **Summer academic enrichment program—Financial need.**  
Clarifies eligibility criteria regarding free and reduced-price school meals, given the new universal free school meals program in Minnesota.
- 13      **Order of aid calculations.**  
Allows OHE to determine the order that students’ financial aid awards may be calculated if students are eligible for more than one program. The goal of the ordering should be to provide the greatest amount of aid to students.
- 14      **Fostering independence higher education grants—Eligibility.**  
Adds requirements to the program’s eligibility criteria to align it with similar state grant and scholarship programs.
- 15      **Fostering independence higher education grants—Foster grant amount; payment; opt-out.**  
Allows OHE to establish a priority application deadline and create a waitlist for applications received after that deadline. Also requires a proportionate reduction in awards when program funds are insufficient to make full awards to all eligible applicants.
- 16      **North Star Promise—Definitions.**  
Clarifies existing definitions for the program. Provides that financial aid for expenses other than tuition and mandatory fees is not deducted when calculating a student’s award.
- 17      **North Star Promise—Conditions for eligibility.**  
Adds additional criteria to align the program with similar state scholarships and grants.
- 18      **North Star Promise—Scholarship.**  
Provides technical clarifications. Caps supplemental (“Pell plus”) grants at the student’s recognized cost of attendance.
- 19      **North Star Promise—Maintain current levels of institutional assistance.**  
Provides technical clarifications.
- 20      **North Star Promise—Duration of scholarship authorized; scholarship paid to institution.**  
Provides technical clarifications. Aligns the eligibility criteria with similar state scholarships and grants.

**Section Description – Article 35: Policy Provisions**

---

- 21     **SELF loan program—Terms and conditions of loans.**  
Allows a student to borrow up to the maximum loan amount twice in the same grade level.
- 22     **SELF loan program—Repayment of loans.**  
Adds a prohibition on minimum annual payments, but allows minimum monthly payments.
- 23     **Higher Education Facilities Authority: revenue bonds; limit.**  
Increases the total value of outstanding bonds the authority may issue from \$1,300,000,000 to \$2,000,000,000.  
  
The legislature created the Higher Education Facilities Authority in 1971 to provide nonprofit private postsecondary institutions with conduit financing for large-scale capital projects. Conduit financing allows nongovernment entities to access tax-exempt municipal bonds to finance capital projects that have a broader public benefit. Currently, the authority is empowered to issue revenue bonds, with a \$1,300,000,000 cap on aggregate outstanding amounts. The authority receives no funding from the state and the bonds it issues do not constitute a debt of the state. Rather, bonds issued by the authority are payable only from the loan repayments, rentals, collateral, and other revenues pledged for their payment; the operations of the authority are financed from fees paid by the participating institutions and investment income; and all bond issuance costs are paid by the participating institution. This means that the authority operates without any cost to the state or taxpayers.
- 24     **Minnesota Private and Out-of-State Public Postsecondary Education Act—Definitions—School.**  
Amends the definition of “school” for this act to add references to “physical presence,” a new definition added in section 26 of the act.
- 25     **Minnesota Private and Out-of-State Public Postsecondary Education Act—Definitions—Postsecondary education.**  
Adds a definition of “postsecondary education.”
- 26     **Minnesota Private and Out-of-State Public Postsecondary Education Act—Definitions—Physical presence.**  
Adds a definition of “physical presence.”

**Section Description – Article 35: Policy Provisions**

---

- 27 **Minnesota Private and Out-of-State Public Postsecondary Education Act—Annual registration.**  
Uses the new definition of physical presence added in section 26 of the act.
- 28 **Minnesota Private and Out-of-State Public Postsecondary Education Act—Additional security.**  
Corrects a reference to federal rules. Updates the closed school refund dates to a timeframe of 180 days.
- 29 **Minnesota Private and Out-of-State Public Postsecondary Education Act—Criteria for approval.**  
For contracts with out-of-state schools to provide educational programming, requires the contract to include a joint-and-several liability provision and to mandate compliance with the act. Also prohibits schools from using nondisclosure agreements to restrict a student’s ability to submit complaints about the school to OHE.
- 30 **Minnesota Private and Out-of-State Public Postsecondary Education Act—Additional reporting.**  
Corrects a reference to federal rules.
- 31 **Minnesota Private and Out-of-State Public Postsecondary Education Act—Registration fees.**  
Adds additional fees for new or renewed registration applicants that have multiple revisions or corrections.
- 32 **Private Career School Act—Definitions—Private career school.**  
Amends the definition of “private career school” for this act to add references to “physical presence,” a new definition added in section 33 of the act.
- 33 **Private Career School Act—Definitions—Physical presence.**  
Adds a definition of “physical presence.”
- 34-37 **Private Career School Act—Licensure.**  
Uses the new definition of physical presence added in section 33 of the act.
- 38 **Private Career School Act—Licensure—Minimum standards.**  
Adds two requirements for the licensure of a private career school. First, that the school has not previously had a license revoked. Second, for contracts with out-of-state schools to provide educational programming, requires the contract to include a joint-and-several liability provision and to mandate compliance with the act.

**Section Description – Article 35: Policy Provisions**

---

- 39      **Private Career School Act—Initial licensure fee.**  
Adds an additional fee for initial licensure applicants with multiple revisions or corrections.
- 40      **Private Career School Act—Renewal licensure fee; late fee.**  
Adds an additional fee for licensure renewal applicants with multiple revisions or corrections.
- 41      **Private Career School Act—Prohibitions—False statements.**  
Prohibits a school from claiming that its programs qualify for national certifications that are not in fact recognized by Minnesota employers.
- 42      **Private Career School Act—Prohibitions—Nondisclosure agreements.**  
Adds a new subdivision prohibiting a school from using nondisclosure agreements to restrict a student’s ability to submit complaints about the school to OHE.
- 43      **Private Career School Act—Revocation of license or permit—Powers and duties.**  
Allows OHE to grant a private career school a probationary license to allow time to correct deficiencies. Specifies requirements and restrictions that may apply to a probationary license.
- 44      **Private Career School Act—Revocation of license or permit—Effect.**  
Prohibits a school whose license has been revoked from reapplying for licensure within two years and adds requirements for relicensure.
- 45      **Private Career School Act—Exemptions—Exemption reasons.**  
Consolidates exemptions for schools accredited by state licensing boards. Clarifies the definition of a “trade union.” Clarifies the exemption for certain private professional and trade organizations. Clarifies the exemption for test preparation programs.
- 46      **Workforce development scholarships—Program eligibility.**  
Adds “energy” to the list of programs of study or certification eligible for scholarships.
- 47      **University of Minnesota—Disabled veterans; landscape arboretum.**  
Requests the University of Minnesota to provide disabled veterans unlimited free access to the landscape arboretum.



**Section Description – Article 35: Policy Provisions**

---

**48 Repealer.**

Paragraph (a) repeals the existing statute requiring public postsecondary institutions to have policies regarding assistance and support for students with disabilities. This statute is replaced by the new statute proposed in section 9 of this article.

Paragraph (b) repeals the existing reporting requirement for inclusive higher education grants. Section 7 of this article moved this requirement to the section on the Inclusive Higher Education Technical Assistance Center.

## **Article 36: Firearms**

Under current law, the commissioner of public safety must report to the legislature on how funds appropriated for violent crime reduction strategies are used. This act adds a requirement that the report include specific information regarding firearms.

Under current law, firearms cannot include a “trigger activator.” A trigger activator can be a device attached to a firearm that allows the rate of fire to increase to that of a machine gun or a device that allows a semiautomatic firearm to shoot more than one shot either (1) with a single pull of the trigger, or (2) by harnessing the energy of the firearm to continue firing without additional physical manipulation of the trigger. This act clarifies that a trigger activator includes a device that allows a semiautomatic firearm to shoot more than one shot with a single pull and release of the trigger. This type of trigger is commonly known as a “binary trigger” or “binary firing system.”

Under current law, a person is guilty of a crime if the person transfers a pistol or semiautomatic military-style assault weapon (SAMSAW) to another and the person making the transfer knows that the person receiving the firearm is ineligible to possess that type of firearm. This type of transfer is sometimes referred to as a “straw purchase.” The penalty is a gross misdemeanor unless the person receiving the firearm uses that firearm to commit a felony crime of violence within a year. In that case, the penalty is a felony with a maximum sentence of five years, a fine of \$10,000, or both. Section 624.713, subdivision 1, lists the situations in which a person is ineligible to possess firearms. With one exception, the prohibitions apply to pistols, SAMSAWs, and other firearms. The exception is that a person under the age of 18 can legally possess a firearm other than a pistol or SAMSAW under the restrictions listed in section 97B.021. This act expands the current crime to include the transfer of all firearms to an ineligible person, not only the transfer of a pistol or SAMSAW. It amends the mental status required to prove this crime to include cases where the person making the transfer “should have known” that the person receiving the firearm was ineligible to receive the firearm. It creates an exception for the transfer of firearms other than a pistol or SAMSAW to a minor if that person is eligible to receive that type of firearm (this will most commonly mean the transfer of hunting rifles or shotguns). The act increases the penalty for a transfer to an ineligible person from a gross misdemeanor to a felony with a maximum sentence of two years and increases the maximum

fine for an aggravated violation from \$10,000 to \$20,000. The act also creates an affirmative defense allowing a defendant to be found not guilty if the defendant proves, by clear and convincing evidence, that the defendant transferred a firearm to an ineligible person who was a family or household member under a reasonable belief that the person receiving the firearm would inflict substantial bodily harm or death on the defendant or a family or household member of the defendant if the defendant refused to obtain the firearm.

**Section Description – Article 36: Firearms**

---

**1 Required reports.**

Amends the reports to the legislature on Violent Crime Enforcement Teams (VCETs) submitted by the commissioner of public safety to require reporting about actions taken by the Bureau of Criminal Apprehension and VCETs that received funding from the department. The report must include the number of firearms seized, number of gun trafficking investigations conducted, and a summary of the types of investigations conducted.

**2 Definitions.**

Amends the definition of “trigger activator” to specify that a trigger activator includes a device that allows a firearm to shoot one shot on the pull of the trigger and a second shot on the release of the trigger without requiring a subsequent pull. The change goes into effect on January 1, 2025.

**3 Transfer to ineligible person.**

Increases the penalty for transferring a firearm to an ineligible person from a gross misdemeanor to a felony with a maximum sentence of two years of imprisonment. Amends the crime to include the transfer of any firearm, not just a pistol or semiautomatic military-style assault weapon (SAMSAW). Amends the standard of proof to include situations where the transferring party reasonably should know that the transferee is ineligible to possess a firearm. Specifies that the prohibition does not apply to the transfer of a firearm other than a pistol or SAMSAW to a juvenile who is eligible to possess the type of firearm received. Specifies that the penalty for an aggravated violation is a felony that can be punished by up to five years of imprisonment, a fine of \$20,000, or both. Establishes an affirmative defense that allows a defendant to be found not guilty if the defendant proves by clear and convincing evidence that the defendant was a family or household member of the transferee and committed the violation based on a reasonable apprehension that refusal to purchase a firearm for the ineligible person would result in death or substantial bodily harm to the defendant or a family or household member of the defendant.

## Article 37: Agriculture Appropriations

This article modifies certain appropriations that were enacted in last session's agriculture and broadband finance and policy act (Laws 2023, chapter 43) and provides supplemental funding to the Minnesota Department of Agriculture (MDA) and the Agricultural Utilization Research Institute.

### Section Description – Article 37: Agriculture Appropriations

---

#### 1 Department of Agriculture.

Modifies existing appropriations to MDA for fiscal years 2024 and 2025 and provides supplemental funding in certain areas.

**Subd. 1. Total appropriation.** Lowers the total fiscal year 2024 general fund appropriation and increases the 2025 total general fund appropriation.

**Subd. 2. Protection services.** Appropriates supplemental funding for: soil health financial assistance grants to eligible recipients located in specified southeastern Minnesota counties; pollinator research; assistance to owners of private drinking water wells located in specified southeastern Minnesota counties when the owner's well water nitrate level exceeds 10 milligrams per liter; and identifying options to address crop and fence destruction caused by deer, elk, and other cervids.

**Subd. 3. Agricultural marketing and development.** Increases the general fund base for fiscal year 2026 and later, providing for a larger operating adjustment in the Agricultural Marketing and Development Division (a corresponding reduction is made to the operating adjustment for administration and financial assistance in subdivision 5). Modifies rider language that governs a farmers' market grant program.

**Subd. 4. Agriculture, bioenergy, and bioproduct advancement.** Designates a total of \$450,000 in fiscal year 2025 for wild rice research. Deletes, then reappropriates with certain modifications, the funding for the Agricultural Growth, Research, and Innovation (AGRI) Program in fiscal year 2025. Among other things, the new appropriation language moves the \$4 million DAIRI program funding from fiscal year 2024 to fiscal year 2025; expands eligible recipients of AGRI Farm to School grants to include all early childhood education and child care providers that participate in the federal National School Lunch Program or Child and Adult Care Food Program; increases funding for AGRI Farm to School grants; and extends the availability of the entire fiscal year 2025 AGRI appropriation until June 30, 2027, with an additional three years of availability provided for any portion of the appropriation that is encumbered under contract by that date. Increases the AGRI base funding level in fiscal year 2026 and beyond.

**Section Description – Article 37: Agriculture Appropriations**

---

**Subd. 5. Administration and financial assistance.** Decreases the general fund base amount in fiscal year 2026 and later for an operating adjustment in this area. Modifies prioritization for farm down payment assistance grants during fiscal year 2025. Appropriates onetime money for beginning farmer equipment and infrastructure grants in fiscal year 2025 and a credit market report in fiscal year 2024.

Effective date: This section takes effect the day following final enactment.

**2 Agricultural Utilization Research Institute.**

Appropriates an additional \$225,000 on a onetime basis to the Agricultural Utilization Research Institute for food business support.

Effective date: This section takes effect the day following final enactment.

## **Article 38: Agriculture Policy**

This article modifies or establishes various programs administered by MDA or the Rural Finance Authority (RFA). Among other things, this article modifies pesticide control statutes and a program that provides compensation for damage caused by wild elk; extends and modifies a fertilizer research program and associated 40 cent/ton fertilizer fee; authorizes expedited permanent rulemaking for industrial hemp licensing and oversight; and allows RFA to participate in Disaster Recovery Loans that help farmers impacted by drought purchase feed for their livestock.

**Section Description – Article 38: Agriculture Policy**

---

**1 Definitions.**

Defines key terms for purposes of an existing MDA program that provides compensation to farmers when wild elk damage or destroy crops and/or fencing.

**2 Claim form and reporting.**

Eliminates a requirement that elk damage claim forms be filed with MDA. Requires owners to promptly notify an approved agent of suspected elk damage. Requires claimants to complete the required portions of the claim form and provide an approved agent with all information required to investigate the damage.

**3 Investigation and crop valuation.**

Requires approved agents to promptly investigate damage reports and make written findings regarding whether the damage was caused by elk. Specifies the physical and circumstantial evidence upon which an approved agent must base their findings.

**Section Description – Article 38: Agriculture Policy**

---

- Allows the owner to choose between two methods (claim submission at time of damage, or claim submission at time of harvest) when elk damaged the owner's standing crop. Specifies information an approved agent must record on a claim form when elk cause damage to stored crops or fencing.
- 4     **Claim form.**  
Requires the owner and approved agent to sign a completed claim form. Requires the agent to submit the form to MDA and specifies how MDA must handle incomplete forms.
- 5     **Compensation.**  
Provides that the owner is entitled to the estimated value of the damaged or destroyed crop or fence. Under current law, the owner is entitled to the larger of a crop's target or market price plus yield loss adjustments. Eliminates the option for owners to verify fence damage by, in part, submitting a statement from an independent witness. Eliminates the requirement that eligible owners must have followed normal harvest procedures in their area. Lowers maximum compensation for damaged fencing from \$20,000 to \$1,800 per year, per owner.
- 6     **Beginning farmer equipment and infrastructure grants.**  
Replaces existing grant preference for emerging farmers with preference for farmers experiencing limited land access or limited market access, as defined in the next section.
- 7     **Eligibility.**  
Expands eligibility for an existing sustainable agriculture demonstration grant program to include farms, agricultural cooperatives, Tribal governments, and local units of government.
- 8     **Definitions.**  
Modifies eligibility criteria for Farm Down Payment Assistance Grants by disqualifying any applicant who is related to the person from whom the applicant intends to purchase farmland. This change applies beginning with the fiscal year 2025 round of grants. Defines the terms "incubator farm," "limited land access," and "limited market access."
- 9     **Report to legislature.**  
Requires MDA to report to the legislature the number of Farm Down Payment Assistance grant recipients who were experiencing limited land access or limited market access.

**Section Description – Article 38: Agriculture Policy**

---

- 10      **Grant eligibility.**  
Requires MDA to give preference under the soil health financial assistance program to farmer-applicants who are certified or pursuing certification under MDA’s Minnesota Agricultural Water Quality Certification Program.
- 11      **Equipment sales limitation.**  
Requires any farmer who receives a soil health financial assistance grant to certify to MDA that the farmer will not sell the equipment for at least ten years.
- 12      **Agricultural contracts.**  
Expands the prohibition against certain nondisclosure provisions in agricultural production contracts to also apply to agricultural marketing contracts, including marketing contracts between a farmer and their cooperative.
- 13      **Application or use of a pesticide.**  
Specifies that for purposes of Minnesota Statutes, chapter 18B (Pesticide Control), application or use of a pesticide includes the dispersal of a pesticide, preapplication activities that involve the mixing or loading of a restricted-use pesticide (RUP), and other RUP-related activities including but not limited to transporting and storing opened containers, cleaning equipment, and disposing of excess pesticide and materials that contain pesticide.
- 14      **Discontinuance or cancellation of registration.**  
Grants MDA authority to immediately cancel a pesticide product registration upon request. When requesting immediate cancellation, the registrant would be required to submit to MDA a statement that the product is no longer in distribution, along with certain supporting documentation.
- 15      **Advisory panel.**  
Requires MDA to convene and consider the recommendations of a panel of outside experts before approving a pesticide registrant’s application for an experimental use pesticide product. Specifies that the panel must include scientific and public health experts, including representatives of the Minnesota Department of Health, the Minnesota Department of Natural Resources, the Minnesota Pollution Control Agency, and the University of Minnesota.
- 16      **Training manual and examination development.**  
Requires MDA to revise and update applicator training materials and examinations to meet or exceed the competency standards established by the United States Environmental Protection Agency in federal regulations. Requires MDA to publish these competency standards on the agency’s website.

**Section Description – Article 38: Agriculture Policy**

---

- 17     **Requirement.**  
Requires licensed structural pest control applicators to be at least 18 years old.
- 18     **Application.**  
Revokes MDA’s ability to require structural pest control applicator license applicants to perform a practical demonstration.
- 19     **Renewal.**  
Requires MDA’s recertification workshops for structural pest control applicators to meet or exceed the competency standards established by the United States Environmental Protection Agency in federal regulations. Requires MDA to publish these competency standards on the agency’s website. Authorizes MDA to require a structural pest control applicator to pass a reexamination test if the applicator does not attend an MDA-required recertification workshop.
- 20     **Financial responsibility.**  
Eliminates language prohibiting MDA from issuing a structural pest control applicator’s license if the applicant fails to furnish proof of financial responsibility (i.e., net worth of at least \$50,000, or a performance bond or insurance in the amount required by MDA). Authorizes MDA to instead suspend or revoke a structural pest control applicator’s license if the applicator fails to provide proof of financial responsibility upon request.
- 21     **Requirement.**  
Prohibits MDA from issuing a commercial applicator license to someone younger than 18 years of age.
- 22     **Renewal application.**  
Allows MDA to require commercial applicators seeking license renewal to complete a recertification workshop annually, biennially, or once every three years depending upon the applicator’s license category. Authorizes MDA to require the licensee to pass a reexamination test if the licensee does not attend an MDA-required recertification workshop. Requires MDA’s recertification workshops for commercial applicators to meet or exceed the competency standards established by the United States Environmental Protection Agency in federal regulations. Requires MDA to publish these competency standards on the agency’s website.
- 23     **Financial responsibility.**  
Eliminates language that prohibits MDA from issuing a commercial applicator’s license if the applicant fails to furnish proof of financial responsibility. Authorizes

**Section Description – Article 38: Agriculture Policy**

---

- MDA to instead suspend or revoke a commercial applicator’s license if the applicator fails to provide adequate proof of financial responsibility upon request.
- 24     **Requirement.**  
Prohibits MDA from issuing a noncommercial applicator license to someone younger than 18 years of age.
- 25     **Renewal.**  
Allows MDA to require noncommercial applicator licensees seeking license renewal to complete a recertification workshop annually, biennially, or once every three years depending upon the applicator’s license category. Authorizes MDA to require a licensee to pass a reexamination test if the licensee does not attend an MDA required recertification workshop. Requires MDA’s recertification workshops for noncommercial applicators to meet or exceed the competency standards established by the United States Environmental Protection Agency in federal regulations. Requires MDA to publish these competency standards on the agency’s website.
- 26     **Establishment.**  
Requires MDA’s pesticide applicator license and certification categories to be consistent with and to meet or exceed the competency standards established by the United States Environmental Protection Agency in federal regulations. Requires MDA to publish these competency standards on the agency’s website.
- 27     **Requirement.**  
Prohibits MDA from issuing a private applicator certification to someone younger than 18 years of age.
- 28     **Certification.**  
Requires MDA’s private applicator certification requirements and training to meet or exceed the competency standards established by the United States Environmental Protection Agency in federal regulations. Requires MDA to publish these competency standards on the agency’s website.
- 29     **Commercial and noncommercial applicators.**  
Requires licensed commercial and noncommercial applicators to create and maintain application records that meet or exceed requirements established by the United States Environmental Protection Agency in federal regulations.



**Section Description – Article 38: Agriculture Policy**

---

**30 Structural pest control applicators.**

Requires licensed structural pest control applicators to create and maintain application records that meet or exceed requirements established by the United States Environmental Protection Agency in federal regulations.

**31 Beneficial substance.**

Defines this term for purposes of fertilizer law as certain substances or compounds capable of being demonstrated by scientific research as beneficial to plants, soil, or media.

**32 Soil amendment.**

Modifies the definition of “soil amendment” for purposes of fertilizer law to include substances intended to improve the chemical or biochemical characteristics of soil.

**33 Adoption of national standards.**

Authorizes MDA to adopt applicable national standards contained in the latest official publication of the Association of American Plant Food Control Officials. Under current law, these state standards are pegged to the 1996 version of the Association’s official publication.

**34 Packaged fertilizers.**

Modifies labeling requirements for packaged fertilizers to require, where applicable, the product’s volume.

**35 Fertilizer plant food content.**

Specifies that when determining the commercial index value for a fertilizer that is deficient in plant food content, MDA must determine the amount of available phosphate, not the amount of available phosphoric acid.

**36 Payment of inspection fee.**

Extends the 40 cent/ton Agricultural Fertilizer Research and Education Council (AFREC) fee for five additional years.

Effective date: This section takes effect the day following final enactment.

**37 Establishment; membership.**

Modifies membership of the AFREC Council by decreasing the number of members who represent the Minnesota Crop Production Retailers and adding four new members with specified expertise or affiliation.

**Section Description – Article 38: Agriculture Policy**

---

- 38     **Expiration.**  
Extends the AFREC Council by five years.
- 39     **Eligible projects.**  
Expands the universe of research projects eligible for selection by the AFREC Council to include those pertaining to regenerative agriculture or the protection of clean water.
- 40     **Priorities and guidance.**  
Requires the AFREC Council to develop or update research priorities and request guidance related to specified topics.
- 41     **Awarding grants.**  
Coinciding with the increase in AFREC Council membership required under section 37, this section increases the number of affirmative Council member votes required to fund a project.
- 42     **Expiration.**  
Extends the statute governing the AFREC fertilizer research grant program by five years.
- 43     **Expiration.**  
Extends the statute establishing the dedicated AFREC account and appropriation by five years.
- 44     **Enforcement required.**  
Specifies that MDA may use the administrative, civil, and criminal enforcement authorities provided under Minnesota Statutes, chapter 18D, to enforce MDA’s Groundwater Protection Rule. (Adopted in 2019, the Groundwater Protection Rule restricts the application of nitrogen fertilizer in the fall and on frozen soils in vulnerable groundwater areas and establishes a process to address elevated nitrate levels in public water supply wells.)
- 45     **Rulemaking.**  
Authorizes MDA to adopt or amend permanent rules for the industrial hemp licensing program without undergoing the full rulemaking process typically required by Minnesota Statutes, chapter 14. Under this section, MDA’s rules would have the force and effect of law if the Revisor of Statutes approves the form of the rules, the commissioner of agriculture signs an order adopting them, the Office of Administrative Hearings approves their legality within 14 days, and MDA publishes the rules in the State Register.

**Section Description – Article 38: Agriculture Policy**

---

- 46     **Posting of license; rules.**  
Eliminates language requiring MDA to deposit food handler license fee and penalty revenue in the general fund.
- 47     **Definitions.**  
Modifies definitions of “farmers’ market” and “food product sampling” that apply to an existing food handler license exemption for those who provide food samples or perform food demonstration projects at farmers’ markets or community events.
- 48     **Food sampling and demonstration.**  
Establishes additional requirements for meat, poultry, and fish offered or used for license-exempt food sampling or demonstration.
- 49     **Food required to be provided at no cost.**  
Modifies an existing requirement that license-exempt food provided as a sample or for demonstration must be provided at no cost.
- 50     **Food safety and equipment standards.**  
States that the person conducting license-exempt food product sampling or demonstration is not required to have a handwashing device when offering only prepackaged food samples.
- 51     **Signage.**  
Requires those providing license-exempt food product sampling or demonstration to have a legible sign or placard listing the food’s ingredients and any major food allergens.
- 52     **Expiration.**  
Extends the expiration date for the Food Safety and Defense Task Force by ten years. Under current law, the Task Force will expire on June 30, 2027.
- 53     **Honey.**  
Specifies certain label requirements for food sold in Minnesota that looks like honey but contains both honey and another sweetener. Specifies that consistent with the Federal Food, Drug, and Cosmetic Act and state prohibitions against deceptive food labeling, the label for such products must include a statement that accurately identifies or describes the food, and an ingredient statement that includes the common or usual name of each ingredient listed in descending order of predominance by weight.

**Section Description – Article 38: Agriculture Policy**

---

- 54      **Organic agriculture; commissioner duties.**  
Extends the expiring Organic Advisory Task Force by 10 years, to June 30, 2034. (By law, this task force must advise MDA and the University of Minnesota regarding policies and programs that will improve organic agriculture in the state.)
- 55      **Dairy development and profitability enhancement.**  
Modifies MDA’s Dairy Development and Profitability Enhancement Program. Removes references to profitability enhancement teams. Authorizes MDA to provide assistance to the dairy industry beyond profitability enhancement and dairy business planning grants. Eliminates a requirement that the program provide one-on-one assistance to dairy farms and authorizes instead that the program may provide assistance individually, via teams, or through other specified methods. Authorizes MDA to award dairy business planning grants to dairy processors and expands the eligible uses for which a dairy producer or processor may use these grants.
- 56      **State participation.**  
Increases the RFA’s maximum participation in a beginning farmer real estate loan from \$400,000 to \$500,000.
- 57      **State participation.**  
Increases the RFA’s maximum participation in a restructure loan from \$525,000 to \$625,000.
- 58      **Participation limit; interest.**  
Increases the RFA’s maximum participation in a seller-sponsored loan from \$400,000 to \$500,000.
- 59      **Loan participation.**  
Increases the RFA’s maximum participation in an agricultural improvement loan from \$400,000 to \$500,000.
- 60      **Loan participation.**  
Increases the RFA’s maximum participation in a livestock expansion and modernization loan from \$525,000 to \$625,000.
- 61      **Establishment.**  
Expands loan-eligible purposes under the RFA’s Disaster Recovery Loan Program to include feed purchased by a farmer when drought is the cause of the purchase.

**Section Description – Article 38: Agriculture Policy**

---

- 62      **Commissioner.**  
Specifies that “commissioner” means the MDA commissioner or the commissioner’s designee for purposes of the Grain Storage Act.
- 63      **Grain.**  
Modifies the definition of “grain” for purposes of the Grain Storage Act to include specified crops as well as any other product that is commonly referred to as grain and ordinarily stored in a grain warehouse.
- 64      **Producer.**  
Modifies the definition of “producer” for purposes of the Grain Storage Act to mean anyone who grows grain on land owned or leased by the person.
- 65      **Public grain warehouse operator.**  
Modifies the definition of “public grain warehouse operator” for purposes of the Grain Storage Act to mean anyone operating a grain warehouse, whether licensed or not.
- 66      **Scale ticket.**  
Modifies the definition of “scale ticket” for purposes of the Grain Storage Act to mean a memo issued by a grain elevator or warehouse operator at the time of grain delivery. Eliminates a provision that defines scale tickets under current law as those that show the grade of grain deposited.
- 67      **Finder to give notice.**  
Requires a person who finds a stray animal to take certain specified actions, with these required actions differing based on whether the person knows the animal’s owner or not.
- 68      **Dairy law.**  
Combined with the following section, this section revives and reenacts a provision repealed during the 2023 legislative session. The revived provision provides that all financial and production data that MDA collects from dairy processors, wholesalers, and retailers is classified as private and nonpublic data.
- 69      **Revival and reenactment.**  
See the previous section.
- 70      **Report required; cooperative financial reporting.**  
Requires MDA to convene stakeholders and develop and report recommendations regarding requirements for cooperatives to report on their financial condition.

**Section Description – Article 38: Agriculture Policy**

---

- 71      **Commercial applicator license examination language requirements.**  
Requires MDA to make commercial pesticide applicator license exams available in Spanish no later than January 1, 2025, and requires MDA to notify applicants that the exams may be taken in Spanish. Specifies that MDA’s costs must be paid from the pesticide regulatory account in the agricultural fund.
- 72      **Credit market report required.**  
Requires MDA to convene stakeholders and develop a report regarding the potential establishment of a state credit market for Minnesota farmers. Requires MDA to submit the report to the legislature by February 1, 2025, and allow participating stakeholder to submit written testimony for inclusion in this report.
- 73      **Repealer.**  
Repeals the following statutes and rules.
- Minnesota Statutes, section 3.7371, subdivision 7 – Under current law, this section requires MDA to adopt administrative rules for the elk damage compensation program.
  - Minnesota Statutes, section 34.07 – Under current law, this section creates a dedicated beverage inspection account in the Agricultural Fund, requires MDA to deposit into this account all fees and penalties collected from those who manufacture, mix, or compound soft drinks or other nonalcoholic beverages for sale, and appropriates this revenue to MDA for inspection and supervision of these same entities.
  - Minnesota Rules, chapter 1506 – These are the existing administrative rules promulgated by MDA for the elk damage compensation program.

## **Article 39: Broadband**

This article provides the Department of Employment and Economic Development’s Office of Broadband Development limited authority to transfer appropriated dollars based on demand and requires the Office to apply for certain federal broadband dollars.

**Section Description – Article 39: Broadband**

---

- 1      **Transfer.**  
Grants the Department of Employment and Economic Development (DEED) standing authority to transfer up to \$5 million of appropriated dollars each fiscal year between three programs administered by DEED’s Office of Broadband Development—the Border-to-Border Broadband Development Grant Program, the Low-Density Population Broadband Development Program, and the Broadband Line Extension

**Section Description – Article 39: Broadband**

---

Connection Program. DEED could transfer money as needed to meet demand. Requires DEED to report to the legislature whenever it exercises this new authority.

**2 Broadband development; application for federal funding; appropriation.**

Requires DEED to apply to the federal government for State Digital Equity Capacity Grant Funding made available to the states in 2021’s federal Infrastructure Investment and Jobs Act. Appropriates any federal money received by the state via DEED’s application to DEED for purposes of the agency’s Minnesota Digital Opportunity Plan.

## **Article 40: Climate and Energy Finance**

Appropriates money from the general fund for climate and energy programs and requires reports to the legislature from the commissioner of commerce regarding the cost of administering competitive grants awarded from those appropriations.

## **Article 41: Renewable Development Account Appropriations**

Appropriates money from the renewable development account for climate and energy programs.

## **Article 42: Energy Policy**

**Section Description – Article 42: Energy Policy**

---

**1 [103I.621] Permits for groundwater thermal exchange devices.**

**Subd. 1. Permit.** Establishes conditions that may be included in permits issued under this section.

**2 [103I.621] Permits for groundwater thermal exchange devices.**

**Subd. 2. Water-use requirements apply.** Technical.

**3 [116C.779] Funding for renewable development.**

Strikes language requiring an annual report on fund balances and obligations.

**Section Description – Article 42: Energy Policy**

---

- 4      **[116C.7792] Solar energy production incentive.**  
Allocates \$5,000,000 annually from Xcel Energy’s contribution to the renewable development account in 2026 through 2035 for production incentives under the utility’s Solar Rewards program.
- 5      **[216B.098] Residential customer protections.**  
    **Subd. 7. Social Security number and individual taxpayer identification number.** Requires a utility to accept an individual taxpayer identification number from a new customer in lieu of a Social Security number.
- 6      **[216B.16] Rate change; procedure; hearing.**  
    **Subd. 6c. Incentive plan for energy conservation and efficient fuel-switching.** Authorizes the commission to order utilities to develop conservation incentive plans that include fuel-switching.
- 7      **[216B.16] Rate change; procedure; hearing.**  
    **Subd. 8. Advertising expense.** Allows rate recovery of expenses designed to encourage efficient use of energy.
- 8      **[216B.2402] Definitions.**  
    **Subd. 3a. Data mining facility.** Adds a definition of “data mining facility.”
- 9      **[216B.2402] Definitions.**  
    **Subd. 4. Efficient fuel-switching improvement.** Strikes language to make this subdivision consistent with the requirement of section 216B.241, subdivision 11, that an efficient fuel-switching alternative must reduce greenhouse gas emissions.
- 10     **[216B.2402] Definitions.**  
    **Subd. 10. Gross annual retail energy sales.** Excludes electricity sales to a data mining facility from the definition of gross annual retail energy sales (which is used as a base for calculating a utility’s energy savings goal) under certain conditions.
- 11     **[216B.2403] Consumer-owned utilities; energy conservation and optimization.**  
    **Subd. 2. Consumer-owned utility; energy savings goal.** Reduces the annual energy-savings goal required of a consumer-owned natural gas utility from 1.5 to 1.0 percent. Strikes language limiting, until July 1, 2026, spending by a consumer-owned utility on efficient fuel-switching improvements to 0.55 percent of its gross annual retail energy sales.



**Section Description – Article 42: Energy Policy**

---

- 12      **[216B.2403] Consumer-owned utilities; energy conservation and optimization.**  
         **Subd. 3. Consumer-owned utility; energy conservation and optimization plans.** Authorizes the commissioner of commerce to recommend a consumer-owned utility to implement an efficient fuel-switching program suggested by a political subdivision, nonprofit, or community organization. Allows a consumer-owned utility to allocate up to ten percent of its total conservation spending for research and development on efficient fuel-switching projects.
- 13      **[216B.2403] Consumer-owned utilities; energy conservation and optimization.**  
         **Subd. 5. Energy conservation programs for low-income households.** Specifies that a consumer-owned electric utility’s conservation spending in a low-income household whose primary heat source is not provided by a public utility may be counted towards the consumer-owned utility’s annual low-income spending requirement.
- 14      **[216B.2403] Consumer-owned utilities; energy conservation and optimization.**  
         **Subd. 8. Criteria for efficient fuel-switching improvements.** Amends the method used to measure whether a fuel-switching improvement is efficient, and hence, whether its energy savings may be counted towards the consumer-owned utility’s annual energy-savings goal. Strikes language requiring efficient fuel-switching improvements to be installed and operated so as to improve the utility’s load factor.
- 15      **[216B.241] Public utilities; energy conservation and optimization.**  
         **Subd. 1c. Public utility; energy-saving goals.** Strikes language limiting, until July 1, 2026, spending by a public utility on efficient fuel-switching improvements to 0.35 percent of its gross annual retail energy sales.
- 16      **[216B.241] Public utilities; energy conservation and optimization.**  
         **Subd. 2. Public utility; energy conservation and optimization plans.** Authorizes the commissioner of commerce to recommend a public utility to implement an efficient fuel-switching program suggested by a political subdivision, nonprofit, or community organization.
- 17      **[216B.241] Public utilities; energy conservation and optimization.**  
         **Subd. 11. Programs for efficient fuel-switching improvements; electric utilities.** Authorizes a public utility to include a goal for efficient fuel-switching improvements in its energy conservation and optimization plan. Strikes language requiring the department to consider, in deciding whether to approve fuel-switching improvement projects, whether the project facilitates the integration of variable renewable energy sources into the electric system. Allows net benefits from efficient fuel-switching improvements integrated with an energy

**Section Description – Article 42: Energy Policy**

---

efficiency program to be counted towards a public utility’s overall net conservation benefits. Amends the method used to measure whether a fuel-switching improvement is efficient, and hence, whether its energy savings may be counted towards the utility’s annual energy-savings goal.

**18 [216B.241] Public Utilities; energy conservation and optimization.**

**Subd. 12. Programs for efficient fuel-switching improvements; natural gas utilities.** Strikes language making a public utility ineligible for a financial incentive for efficient fuel-switching in a year in which it does not achieve energy savings of 1.0 percent of its gross annual retail energy sales.

**19 [216B.2425] State transmission and distribution plan.**

**Subd. 1. List.** Directs the commission to maintain a list of certified grid-enhancing technology projects.

**20 [216B.2425] State transmission and distribution plan.**

**Subd. 1a. Definitions.** Defines grid enhancing technologies and other terms.

**21 [216B.2425] State transmission and distribution plan.**

**Subd. 2. List development transmission and grid enhancing technology projects.** Requires utilities and transmission owners to identify grid enhancing technologies that address transmission inadequacies in the biennial state transmission plan.

**22 [216B.2427] Natural gas utility innovation plans.**

**Subd. 1. Definitions.** Adds definitions of “disadvantaged community” and “thermal energy network.”

**23 [216B.2427] Natural gas utility innovation plans.**

Requires innovation plans filed after July 1, 2024, by a utility with more than 800,000 customers to spend at least 15 percent of its total incremental plan costs on thermal energy network projects.

**24-26 [216C.08-216C.10]**

Extends the commissioner of commerce’s jurisdiction over the entirety of chapter 216C.

**27 [216C.331] Energy benchmarking.**

**Subd. 1. Definitions.** Amends definitions in energy benchmarking statute.

**Section Description – Article 42: Energy Policy**

---

**28-44 [216C.435-216C.436]**

Broadens the scope of the commercial Property Assessed Clean Energy (PACE) loan program, which allows energy loans to be repaid over time as a surcharge on a property owner's property tax bill, to allow for loans to projects that improve a property's resilience (resistance to wind, fire, and flooding; improvements to indoor air quality; mitigating stormwater runoff), conserve a property's water use, or improve its water quality.

The bill also extends the maximum loan term from 20 to 30 years; increases the maximum loan amount from 20 to 30 percent of a property's assessed value; removes the requirement that projects be cost-effective; allows the financing of energy projects that include fuel-switching; and no longer requires an energy project to lower net energy consumption, provided that greenhouse gas emissions are reduced.

**45 [216C.47] Geothermal planning grants.**

Establishes a program in the Department of Commerce to award grants to cities, counties, towns, and the Metropolitan Council to defray the cost of analysis to determine the feasibility of and design options for installing a geothermal energy system. A maximum grant award of \$150,000 may be applied to the cost of drilling test wells to analyze the geology of potential sites, determining heating and cooling demand, and conducting a financial analysis.

**46 [216C.48] Standardized solar plan review software; technical assistance; financial incentive.**

Establishes a program in the Department of Commerce to provide financial incentives to local permitting authorities to deploy federally developed software that automates and streamlines the permit reviewing and issuing process for residential solar projects. Incentives may range from \$5,000 to \$20,000.

**47 Laws 2023, ch. 60, art. 10, § 2, subd. 2.**

Extends the date for submission of a feasibility study of upgrading iron ore to battery storage specifications.

**48 Ultraefficient vehicle development grants.**

Establishes a grant program to finance developers and producers of ultraefficient vehicles.

**Section Description – Article 42: Energy Policy**

---

- 49     **Thermal energy network deployment group.**  
Directs the Public Utilities Commission to establish a working group to examine how current state regulations affect the ability of natural gas utilities to deploy thermal energy networks. A report to the legislature is due by the end of 2025.
- 50     **Study; carbon dioxide pipelines.**  
Requires the Public Utilities Commission to contract for a study of the health and environmental impacts of siting carbon dioxide pipelines in the state.
- 51     **Thermal energy network site suitability study.**  
Directs the Department of Commerce to identify areas throughout the state that are suitable for the deployment of thermal energy networks. A report to the legislature is due by January 15, 2026.
- 52     **Grid enhancing technologies report; Public Utilities Commission order.**  
Requires electric transmission line owners with more than 750 miles operating in Minnesota to include in the State Transmission Report due November 2025 information on (1) the extent and cost of congestion on its transmission lines; (2) the feasibility and cost of installing grid enhancing technologies to address congestion issues; and (3) a plan to implement cost-effective grid enhancing technologies. The commission is to review the plans and issue an order to implement those approved.
- 53     **Interconnection docket; Public Utilities Commission.**  
Directs the commission to open a proceeding before September 1, 2024, to develop a process that enables owners of distributed generation facilities (solar and storage) to share the cost of necessary upgrades to public utility distribution lines to allow those facilities to interconnect, and to issue an order implementing those procedures. Lists issues that such a process must address.
- 54     **Position established; Public Utilities Commission.**  
Establishes the position of interconnection ombudsperson at the commission, whose duties are to facilitate the resolution of interconnection disputes and review utility interconnection policies to assess opportunities to reduce the number of disputes. The position is funded by a surcharge on interconnection applications.

## Article 43: Minnesota Energy Infrastructure Permitting Act

### Section Description – Article 43: Minnesota Energy Infrastructure Permitting Act

---

- 1 **[216I.01] Citation.**  
Specifies that this chapter is cited as the Minnesota Energy Infrastructure Permitting Act.
- 2 **[216I.02] Definitions.**  
Defines terms.
- 3 **[216I.03] Siting authority.**  
Authorizes the Public Utilities Commission to provide for site and route selection and to issue permits for large energy infrastructure facilities. Provides that the scope of environmental review under this chapter does not include issues regarding need.
- 4 **[216I.04] Applicability determination.**  
Establishes criteria for aggregating the capacities of multiple solar, wind, or energy storage projects to determine whether a permit is required, and under which review process it should be considered.
- 5 **[216I.05] Designating sites and routes.**  
Requires a site or route permit for qualifying energy projects. An applicant must propose only a single site or route. Specifies environmental data that must be included in an application. Describes application procedures, including notice, review, public meetings, and the commission's final decision. Requires permits to require that employees constructing projects are paid at least the state prevailing wage rate.
- 6 **[216I.06] Applications; major review.**  
Requires the commission to prepare an environmental impact statement for a project. Specifies that a public hearing must be conducted by an administrative law judge, and that a portion may be conducted as a contested case hearing. The commission must make a final permit decision within 60 days of receiving the administrative law judge's report, and within one year of determining an application is complete.
- 7 **[216I.07] Applications; standard review.**  
Lists projects that qualify for standard review. Requires applicants to prepare an environmental assessment of the proposed project, and allows the commission to prepare an environmental addendum at its discretion. The commission must make a final permit decision within 60 days of the end of the comment period following the public hearing, and within six months of determining an application is complete.

**Section Description – Article 43: Minnesota Energy Infrastructure Permitting Act**

---

- 8      **[216I.08] Applications; local review.**  
Allows an applicant for certain types of projects to apply to a local unit of government for a site or route permit, and describes the application and review process.
- 9      **[216I.09] Permit amendments.**  
Specifies the application and review process governing amendments to a site or route permit.
- 10     **[216I.10] Exempt projects.**  
Lists types of projects for which site or route permits are not required.
- 11     **[216I.11] Permitting requirement; exceptions for certain facilities.**  
Lists additional types of projects for which site or route permits are not required.
- 12     **[216I.12] Permit transfer.**  
Specifies the process governing a permit transfer.
- 13     **[216I.13] Permit revocation or suspension.**  
Specifies the process governing suspension or revocation of a permit.
- 14     **Revisor instructions.**  
Technical.
- 15     **Repealer.**  
Specifies existing statutes and rules that are repealed.

**Article 44: Certificates of Need**

**Section Description – Article 44: Certificates of Need**

---

- 1      **[216B.2421] Definition of large energy facility.**  
Specifies that in order to qualify as a large energy facility, and hence require a certificate of need, a high-voltage transmission line must be at least one mile long in this state and have a capacity of 300 kilovolts or greater.

**Section Description – Article 44: Certificates of Need**

---

- 2      **[216B.243] Certificate of need for large energy facility.**  
         **Subd. 3. Showing required for construction.** Specifies conditions under which the commission may require the evaluation of alternative end points for a high-voltage transmission line that is a large energy facility.
- 3      **[216B.243] Certificate of need for large energy facility.**  
         **Subd. 3a. Use of nonrenewable resource.** Technical.
- 4      **[216B.243] Certificate of need for large energy facility.**  
         **Subd. 4. Application for certificate; hearing.** Technical.
- 5      **[216B.243] Certificate of need for large energy facility.**  
         **Subd. 8. Exemptions.** Exempts from the requirement to obtain a certificate of need wind projects whose capacity exceeds five megawatts, solar energy projects, energy storage systems, and transmission lines that connect any of these projects to the transmission system.
- 6      **[216B.243] Certificate of need for large energy facility.**  
         **Subd. 9. Renewable energy standard and carbon-free energy standard facilities.** Exempts from the requirement to obtain a certificate of need solar and wind projects contributing to meeting a utility’s renewable energy standard or carbon-free energy standard.
- 7      **[216B.246] Federally approved transmission lines; incumbent transmission lineowner rights.**  
         Reduces from 90 to 60 days the deadline for an incumbent transmission owner to indicate to the commission its intent to construct a transmission line approved by the Midcontinent Independent System Operator. Reduces from 18 to 12 months after a positive notice of intent the deadline for an incumbent transmission owner to submit a certificate of need application to the commission.

## **Article 45: Conforming Changes**

**Section Description – Article 45: Conforming Changes**

---

- 1-16      Conforming and technical changes in accord with article 44.

**Section Description – Article 45: Conforming Changes**

---

- 17      **[216G.025] Routing permit; environmental review; carbon dioxide pipelines.**  
Requires an owner of a carbon dioxide pipeline to obtain a route permit from the commission. Requires the commission to prepare an environmental impact statement for a carbon dioxide pipeline project.
- 18      **Transfer of duties; environmental analysis of large energy infrastructure facilities.**  
Transfers the responsibility of administering the environmental analysis of large energy infrastructure facilities from the Department of Commerce to the Public Utilities Commission on July 1, 2025, and specifies that the provisions of section 15.039 apply to the transfer.
- 19      **Administrative rulemaking.**  
Requires the commission to adopt rules, using the expedited rule process, to conform with the changes made in this act.
- 20      **Appropriation; Public Utilities Commission.**  
Appropriates \$5,000 from the general fund to the commission for rulemaking required in this article.
- 21      **Appropriation; Department of Commerce.**  
Appropriates \$1,200,000 in fiscal year 2025 from the general fund to the Department of Commerce to facilitate participation in siting and routing permit proceedings at the commission. The base in fiscal year 2026 and thereafter is \$2,400,000.
- 22      **Effective date.**  
Specifies that sections 3 and 5 to 16 are effective July 1, 2025.

## **Article 46: Disability Services**

This article includes provisions to: eliminate parental fees for certain mental health and disability residential facilities, provide a temporary exception to the moratorium on licensing new community residential settings, provide MnCHOICES flexibility, increase the transitional supports allowance, modify the consumer-directed community supports (CDCS) option, prohibit providers from coercing waiver service recipients to change waivers, develop a medical assistance (MA) hospital transition benefit, develop Tribal targeted case management, modify early intensive developmental and behavioral intervention (EIDBI) provider qualifications, require a disability services person-centered engagement and navigation study, establish the Legislative Task Force on Guardianship, provide for assistive technology lead agency partnerships, reimburse parents and spouses for providing personal care assistant (PCA)



services, establish a pediatric hospital-to-home transition pilot program, and establish own home services provider capacity-building.

**Section Description – Article 46: Disability Services**

---

**1 General.**

Amends § 13.46, subd. 2, as amended by Laws 2024, ch. 80, art. 8, § 2. Makes a conforming change by removing a cross-reference that is being repealed.

**2 Notice required.**

Amends § 245.821, subd. 1. Makes a conforming change by removing a cross-reference that is being repealed.

**3 Rules governing aversive and deprivation procedures.**

Amends § 245.825, subd. 1. Makes a conforming change by removing a cross-reference that is being repealed.

**4 Licensing moratorium.**

Amends § 245A.03, subd. 7, as amended by Laws 2024, ch. 80, art. 2, § 37, and Laws 2024, ch. 85, § 53. Adds an exception to the corporate foster care moratorium to allow new community residential setting licenses determined necessary by the commissioner for people affected by the closure of homes with a capacity of five or six beds currently licensed as supervised living facilities, but not designated as intermediate care facilities. Makes this exception available until June 30, 2025.

Provides an August 1, 2024, effective date.

**5 Adult foster care and community residential setting license capacity.**

Amends § 245A.11, subd. 2a. Allows the commissioner to issue an adult foster care or community residential setting license with a capacity of five or six adults to facilities meeting the criteria in the licensing moratorium section of statutes, and to grant variances to allow the facility to admit an individual under the age of 55 if the variance complies with Department of Human Services (DHS) licensing variance statutes and approval of the variance is recommended by the county in which the licensed facility is located.

Provides an August 1, 2024, effective date.

**6 Relative responsibility.**

Amends § 246.511, as amended by Laws 2024, ch. 79, art. 2, § 39. Makes a conforming change by removing a cross-reference that is being repealed.

**Section Description – Article 46: Disability Services**

---

- 7      **Parental or guardian reimbursement to counties.**  
Amends § 252.27, subd. 2b. Makes clarifying changes.
- 8      **Host county responsibility.**  
Amends § 252.282, subd. 1. Removes a definition for “local system needs planning” that is being moved to a new definitions subdivision.
- 9      **Definitions.**  
Amends § 252.282, by adding subd. 1a. Moves the existing definition of “local system needs planning” to this subdivision. Includes the definition of “related condition” in this subdivision since the existing definition is being repealed.
- 10     **Allowable uses of grant money.**  
Amends § 256.4764, subd. 3. Modifies long-term services and supports workforce incentive grants by specifying payments to an eligible worker are limited to \$1,000 per calendar year and workers are not eligible for a payment under this grant program if they received payments under the nursing facility workforce incentive grant program.  
  
Makes this section effective retroactively from July 1, 2023.
- 11     **Related condition.**  
Amends § 256B.02, subd. 11. Moves the definition of “related condition” to this subdivision. The existing definition is in a section being repealed, but the definition still applies to other statutes.
- 12     **Case management provided under contract.**  
Amends § 256B.076, by adding subd. 4. For mental health case management services, if the county agency provides case management under contract with other individuals or agencies and the county agency uses a competitive proposal process for the procurement of contracted case management services, requires the competitive proposal process to include evaluation criteria to ensure that the county maintains a culturally responsive program for case management services adequate to meet the needs of the county population. Defines “culturally responsive program” for purposes of this section.  
  
Provides an August 1, 2024, effective date, and applies this change to procurement processes that commence on or after that date.

**Section Description – Article 46: Disability Services**

---

- 13      **Exception to use of MnCHOICES assessment; contracted assessors.**  
Amends § 256B.0911, subd. 12. Removes the expiration of the exception to the use of the MnCHOICES assessment.
- 14      **MnCHOICES assessor qualifications, training, and certification.**  
Amends § 256B.0911, subd. 13. Modifies MnCHOICES certified assessor requirements by removing a requirement that an assessor have at least two years of home and community-based experience.  
  
Provides a July 1, 2024, effective date.
- 15      **MnCHOICES assessments.**  
Amends § 256B.0911, subd. 17. Extends the timeframe by which a person requesting long-term care consultation services must be visited by a long-term care consultation team.
- 16      **MnCHOICES assessments; duration of validity.**  
Amends § 256B.0911, subd. 20. Extends the validity of certain MnCHOICES assessments to establish service eligibility to 365 days after the date of the assessment. Currently, these assessments are valid for 60 days after the date of assessment.  
  
Provides a July 1, 2025, effective date.
- 17      **Case management services.**  
Amends § 256B.092, subd. 1a. For case management services provided under the MA developmental disability waiver, if the county agency provides case management under contract with other individuals or agencies and the county agency uses a competitive proposal process for the procurement of contracted case management services, requires the competitive proposal process to include evaluation criteria to ensure that the county maintains a culturally responsive program for case management services adequate to meet the needs of the county population. Defines “culturally responsive program” for purposes of this section.  
  
Provides an August 1, 2024, effective date, and applies this change to procurement processes that commence on or after that date.
- 18      **Eligibility.**  
Amends § 256B.0924, subd. 3. Makes a conforming change related to the cross-reference to the definition of “related condition.”

**Section Description – Article 46: Disability Services**

---

- 19      **EIDBI provider qualifications.**  
Amends § 256B.0949, subd. 15. Modifies EIDBI provider qualifications by including certification by the Qualified Applied Behavior Analysis Credentialing Board for certain providers.
- 20      **Case management.**  
Amends § 256B.49, subd. 13. For case management services provided under the community alternative care, community access for disability inclusion, and brain injury waivers, if the county agency provides case management under contract with other individuals or agencies and the county agency uses a competitive proposal process for the procurement of contracted case management services, requires the competitive proposal process to include evaluation criteria to ensure that the county maintains a culturally responsive program for case management services adequate to meet the needs of the county population. Defines “culturally responsive program” for purposes of this section.  
  
Provides an August 1, 2024, effective date, and applies this change to procurement processes that commence on or after that date.
- 21      **Services and supports.**  
Amends § 256B.49, subd. 16. Makes technical corrections and removes language related to transitional support allowances.  
  
Provides a January 1, 2025, effective date.
- 22      **Budget procedures.**  
Amends § 256B.4911, by adding subd. 7. Requires lead agencies to provide to CDCS waiver participants and to the waiver participant’s legal representative specified information related to the CDCS service budget and appeal rights at the time services are authorized or reauthorized.
- 23      **CDCS policy.**  
Amends § 256B.4911, by adding subd. 8. Prohibits lead agencies from creating or implementing any policies that are in addition to or inconsistent with policies governing CDCS created by the commissioner or federal or state laws.
- 24      **Provider qualifications.**  
Amends § 256B.4912, subd. 1. Prohibits a provider from requiring or coercing any service recipient to change waiver programs or move to a different location, consistent with statutory informed choice and independent living policies.

**Section Description – Article 46: Disability Services**

---

- 25      **Reimbursement for basic care services.**  
Amends § 256B.766. Extends the sunset date of the current enteral nutrition and supplies payment methodology from June 30, 2024, to June 30, 2025, and also extends the start date of the new payment methodology to July 1, 2025.
- 26      **Eligible individuals.**  
Amends § 256B.77, subd. 7a. Makes a conforming change related to the cross-reference to the definition of “related condition.”
- 27      **Elderly waiver case management provided by counties and Tribes.**  
Amends § 256S.07, subd. 1. For case management services provided under the MA elderly waiver, if the county agency provides case management under contract with other individuals or agencies and the county agency uses a competitive proposal process for the procurement of contracted case management services, requires the competitive proposal process to include evaluation criteria to ensure that the county maintains a culturally responsive program for case management services adequate to meet the needs of the county population. Defines “culturally responsive program” for purposes of this section.  
  
Provides an August 1, 2024, effective date, and applies this change to procurement processes that commence on or after that date.
- 28      **Disclosure to commissioner of human services.**  
Amends § 270B.14, subd. 1. Makes a conforming change by removing a cross-reference that is being repealed.
- 29      **Establishment.**  
Amends § 447.42, subd. 1. Makes a conforming change related to the cross-reference to the definition of “related condition.”
- 30      **Direction to the commissioner of human services; direct care services during short-term acute hospital visits.**  
Amends Laws 2021, First Special Session ch. 7, art. 13, § 68. Clarifies the requirements of requested recommendations and extends the due date for a report to the legislature related to the provision of home care services and community first services and supports (CFSS) while a patient is in an acute care hospital.  
  
Provides an immediate effective date.

**Section Description – Article 46: Disability Services**

---

- 31     **Definition.**  
Amends Laws 2023, ch. 61, art. 1, § 60, subd. 1. Modifies the definition of “new American” in the section governing the new American legal, social services, and long-term care workforce grant program.
- 32     **Grant program established.**  
Amends Laws 2023, ch. 61, art. 1, § 60, subd. 2. Clarifies the purpose of the new American legal, social services, and long-term care workforce grant program.
- 33     **Assistive technology lead agency partnerships.**  
Allows lead agencies to: (1) establish partnerships with enrolled MA providers of alternative care and the MA home and community-based services waivers to evaluate the benefits of informed choice in accessing specified assistive technology services; (2) identify eligible individuals who desire to participate in the partnership; and (3) identify efficiencies for service authorizations, provide evidence-based cost data and quality analysis, and collect feedback on the use of technology systems from recipients, family caregivers, and any other interested community partners. Requires lead agencies to ensure individuals who choose to participate have informed choice in accessing services.
- 34     **Direction to commissioner; consumer-directed community supports.**  
Requires the commissioner of human services to seek any necessary changes to home and community-based services (HCBS) waiver plans regarding CDCS to clarify requirements around the use and benefit of goods and services, personal assistance rates, and rates paid to a participant’s spouse or a parent of a minor participant.
- 35     **Reimbursement for CFSS workers report.**  
Requires the commissioner of human services to explore options to permit reimbursement of CFSS workers to provide specified services or number of hours worked and to report recommendations to the legislature by February 1, 2025.
- 36     **Disability HCBS reimbursement in acute care hospital stays.**  
Requires the commissioner of human services to seek approval to amend the MA disability waiver plans to reimburse for delivery of unit-based services under the disability waiver rate system in acute care hospital settings. Lists requirements reimbursed services must meet.  
  
Makes the list of requirements services must meet effective January 1, 2025, or upon federal approval, whichever is later. Requires the commissioner of human services to notify the revisor of statutes when federal approval is obtained.

**Section Description – Article 46: Disability Services**

---

- 37      **Electronic visit verification implementation grant.**  
Establishes a onetime grant program to assist home care services providers with a portion of the costs of implementing electronic visit verification, and lays out requirements for eligible grant recipients, allowable uses of grant money, and application for and distribution of grant money. Provides a June 30, 2026, expiration date.
- 38      **Emergency relief grants for rural early intensive developmental and behavioral intervention providers.**  
**Subd. 1. Establishment and purpose.** Requires the commissioner of human services to award grants to financially distressed organizations that provide EIDBI services to rural communities. Defines “rural communities” for purposes of this section. Specifies the activities the commissioner must conduct. Requires the commissioner to limit expenditures under this section to the amount appropriated for this purpose.  
**Subd. 2. Eligibility.** Requires EIDBI providers to submit to the commissioner a grant application in the form and according to the timelines established by the commissioner. Specifies information that must be included in the grant application.  
**Subd. 3. Approving grants.** Requires the commissioner to evaluate all grant applications on a competitive basis and award grants to successful applicants within available appropriations. Specifies the commissioner’s decisions are final and not subject to appeal.
- 39      **Legislative Task Force on Guardianship.**  
Establishes a Legislative Task Force on Guardianship.  
**Subd. 1. Membership.** Lists the members of the task force. Requires appointing authorities to name appointees by June 30, 2025. Requires the member from the Minnesota Council on Disability to serve as chair of the task force and to designate a member to serve as secretary.  
**Subd. 2. Meetings; administrative support.** Requires the first meeting of the task force to be convened no later than September 1, 2025. Requires the task force to meet at least quarterly and subjects task force meetings to the Open Meeting Law. Requires the Minnesota Council on Disability to provide meeting space and administrative and research support to the task force.  
**Subd. 3. Duties.** Requires the task force to make recommendations to address concerns and gaps related to guardianships and less restrictive alternatives to guardianships. Requires the task force to seek input from the public, the

**Section Description – Article 46: Disability Services**

---

judiciary, people subject to guardianship, guardians, advocacy groups, and attorneys.

**Subd. 4. Compensation; expenses.** Allows members of the task force to receive compensation and expense reimbursement as provided in the statute governing advisory councils and committees.

**Subd. 5. Report; expiration.** Requires the task force to submit a report to the legislative committees with jurisdiction over guardianship issues no later than January 15, 2027. Requires the report to include draft legislation to implement recommended policy.

**Subd. 6. Expiration.** Makes the task force expire upon submission of its report, or January 16, 2027, whichever is earlier.

Provides an immediate effective date.

**40 Transitional supports allowance increase.**

Upon federal approval, requires the commissioner of human services to increase the transitional supports allowance under the MA disability waivers to \$5,000.

Effective date: January 1, 2025, or upon federal approval, whichever is later. Requires the commissioner of human services to notify the revisor of statutes when federal approval is obtained.

**41 Tribal vulnerable adult and developmental disability targeted case management MA benefit.**

Requires the commissioner of human services to engage with Minnesota’s federally recognized Tribal Nations and urban American Indian providers and leaders to design and recommend a Tribal-specific vulnerable adult and developmental disability MA targeted case management benefit to meet community needs and reduce disparities experienced by Tribal members and urban American Indian populations. Requires the commissioner to honor and uphold Tribal sovereignty as part of this engagement. By January 1, 2025, requires the commissioner to report recommendations to the legislative committees with jurisdiction over health and human services finance and policy. Requires recommendations to include a description of engagement with Tribal Nations, Tribal perspectives, service design, and reimbursement methodology.

Provides a July 1, 2024, effective date.

**42 Electronic visit verification simplification for live-in caregivers.**

Requires the commissioner of human services to: explore options to simplify documentation requirements for direct support professionals who live in the same house as the person they support and are reimbursed for services subject to



**Section Description – Article 46: Disability Services**

---

electronic visit verification requirements; and report recommendations to the legislature by February 1, 2025, with short- and long-term policy changes.

Provides a July 1, 2024, effective date.

**43 License transition support for small disability waiver providers.**

Requires the commissioner of human services to distribute onetime payments to MA disability waiver customized living and community residential providers to assist with the transition from small, customized living settings to licensed community residential services. Defines “eligible provider” for purposes of this section. Lays out requirements related to allowable uses of payments, the application process, attestation, agreement to certain terms, and recoupment.

Provides an immediate effective date.

**44 Disability services person-centered engagement and navigation study.**

Requires the commissioner of human services to: (1) issue a request for proposals for the design and administration of a study of a person’s experience in accessing and navigating MA state plan and HCBS services and state funded disability services to improve people’s experience in accessing and navigating the system; and (2) report the results of the study and any recommendations to improve system accessibility, efficiency, and person-centered systemic design to the legislative committees with jurisdiction over health and human services by January 15, 2026. Requires the study to assess: (1) access to the range of disability services for people located in different communities across the state and for various populations; (2) how people and families experience and navigate the system; and (3) opportunities to improve state, lead agency, and provider capacity to improve the experience of people. Specifies requirements an entity must meet to be eligible to respond to the request for proposals.

**45 Personal care assistance compensation for services provided by a parent or spouse.**

Allows a parent, stepparent, or legal guardian of a minor who is a PCA recipient or the spouse of a PCA recipient to provide and be paid for providing PCA services under MA. Makes this section expire upon full implementation of CFSS. Requires the commissioner of human services to notify the revisor of statutes when this section expires.

Makes this section effective for services rendered on or after October 1, 2024.

**46 Own home services provider capacity-building grants.**

This section establishes a onetime grant program to incentivize providers to support individuals to move out of congregate living settings.

**Section Description – Article 46: Disability Services**

---

**Subd. 1. Establishment.** Establishes a onetime grant program to incentivize providers to support individuals to move out of congregate living settings and into an individual’s own home.

**Subd. 2. Eligible grant recipients.** Specifies eligible grant recipients are HCBS providers who are subject to the HCBS standards chapter of statutes.

**Subd. 3. Grant application.** Requires providers to apply on the forms and according to the timelines established by the commissioner in order to receive an own home services provider capacity-building grant.

**Subd. 4. Allowable uses of grant money.** Lists the allowable uses of grant money including: (1) enhancing resources and staffing to support people and families in understanding housing options; and (2) housing expenses related to moving an individual into their own home.

**Subd. 5. Expiration.** Provides a June 30, 2026, expiration date for this section.

**47 Pediatric hospital-to-home transition pilot program.**

Requires the commissioner of human services to award a single competitive grant to a home care nursing provider to develop and implement, in coordination with other specified entities, a pilot program to expedite and facilitate pediatric hospital-to-home discharges for patients receiving services under MA, including under certain MA disability waivers. Specifies allowable uses of grant money. Prohibits grant money from being used to supplant payment rates for MA covered services. Requires the commissioner to prepare a report summarizing the impact of the pilot program and submit the report to the legislative committees with jurisdiction over health and human services by December 15, 2026.

**48 Repealer.**

Repeals Minn. Stat. § 252.27, subds. 1a (definitions), 2 (parental responsibility), 2a (contribution amount), 3 (civil actions), 4a (order of payment), 5 (determination; redetermination; notice), and 6 (appeals); and 256B.0916, subd. 10 (transitional supports allowance). Repeals Laws 2024, ch. 79, art. 4, § 1, subd. 3 (definition). The repeal of the transitional supports allowance is effective January 1, 2025.

## **Article 47: Aging Services**

This article includes provisions to allow for certain assisted living facilities to relocate, provide for transfer of customized living setting enrollment dates, modify requirements for assisted living required services, require training in mental illness and de-escalation in assisted living facilities, modify the caregiver support services program and caregiver respite services, modify

the alternative care program, expand the financially distressed nursing facility loan program to other long-term services and supports providers, temporarily modify nursing facility property rates for certain nursing facilities, provide for elderly waiver budget and rate exceptions for high-needs participants, and sunset the elderly waiver disproportionate share payments.

**Section Description – Article 47: Aging Services**

---

**1 Facility relocation.**

Creates § 144G.195.

**Subd. 1. New license not required.** Beginning March 15, 2025, allows an assisted living facility with a licensed capacity of five residents or fewer to operate under the facility's current license if the facility is relocated with the approval of the commissioner during the period the current license is valid. Specifies a licensee is not required to apply for a new license solely because the licensee receives approval to relocate a facility. Requires the commissioner to apply the licensing and survey cycle previously established for the facility's prior location to the facility's new location. Specifies the process for the licensee to notify the commissioner of the intent to relocate, including submission of a nonrefundable relocation fee of \$3,905, and for the commissioner to approve or deny the relocation. Specifies licensee requirements once a relocation has been approved or denied.

**Subd. 2. Limited exemption from the customized living setting moratorium and age limitations.** Requires a licensee that receives approval from the commissioner of health to relocate to inform the commissioner of human services of the licensee's intent to relocate if the licensee is enrolled with DHS as a customized living setting to deliver 24-hour customized living services or customized living services under the brain injury and community access for disability inclusion waivers, and to inform the commissioner of human services if the licensee is providing customized living or 24-hour customized living services to at least one individual at the time of the intended relocation and intends to continue to serve that individual in the new location.

Provides a January 1, 2025, effective date, except subdivision 2 is effective January 1, 2025, or 90 days after federal approval, whichever is later. Requires the commissioner of human services to notify the revisor of statutes when federal approval is obtained.

**2 Minimum requirements.**

Amends § 144G.41, subd. 1. Removes language related to food services and other required services in a section of statutes governing minimum requirements for assisted living facilities. This language is moved to new subdivisions.

**Section Description – Article 47: Aging Services**

---

- 3      **Minimum requirements; required food services.**  
Amends § 144G.41, by adding subd. 1a. Moves existing minimum requirements for food services in assisted living facilities to this subdivision and adds exceptions to certain food code rules for assisted living facilities with a licensed capacity of ten or fewer residents.
- 4      **Minimum requirements; other required services.**  
Amends § 144G.41, by adding subd. 1b. Moves existing requirements for other required services in assisted living facilities to this subdivision.
- 5      **Orientation of staff and supervisors.**  
Amends § 144G.63, subd. 1. Modifies assisted living facility staff orientation requirements when a staff person transfers from one licensed assisted living facility to another operated by the same licensee or by a licensee affiliated with the same corporate organization as the licensee of the first facility, or to another facility managed by the same entity managing the first facility.
- 6      **Training required related to dementia, mental illness, and de-escalation.**  
Amends § 144G.63, subd. 4. Makes a conforming change to the subdivision headnote.  
  
Provides a July 1, 2025, effective date.
- 7      **Training in dementia, mental illness, and de-escalation required.**  
Amends § 144G.64. Requires assisted living facilities to meet mental illness and de-escalation training requirements. Specifies training requirements for mental illness and de-escalation training.  
  
Provides a July 1, 2025, effective date.
- 8      **Authority.**  
Amends § 256.9755, subd. 2. Removes language requiring caregiver support program funds to be allocated to area agencies on aging and in a manner consistent with federal requirements.
- 9      **Caregiver support services.**  
Amends § 256.9755, subd. 3. Makes conforming changes to the caregiver support program.

**Section Description – Article 47: Aging Services**

---

- 10      **Caregiver respite services grant program established.**  
Amends § 256.9756, subd. 1. Removes language limiting caregiver respite services to family or caregivers of older adults.
- 11      **Eligible uses.**  
Amends § 256.9756, subd. 2. Makes conforming changes to caregiver respite services.
- 12      **Services covered under alternative care.**  
Amends 256B.0913, subd. 5, as amended by Laws 2024, ch. 85, § 68. Adds transitional services to the list of covered services under the alternative care program.  
  
Effective date: January 1, 2025, or upon federal approval, whichever is later. Requires the commissioner of human services to notify the revisor of statutes when federal approval is obtained.
- 13      **Services; service definitions; service standards.**  
Amends § 256B.0913, subd. 5a. Makes a conforming change related to the addition of transitional services under the alternative care program.  
  
Effective date: January 1, 2025, or upon federal approval, whichever is later. Requires the commissioner of human services to notify the revisor of statutes when federal approval is obtained.
- 14      **Property rate increase for certain nursing facilities.**  
Amends § 256B.434, by adding subd. 4k. Provides time-limited property rate increases for certain nursing facilities located in St. Paul, Duluth, Chatfield, and Fergus Falls. Specifies the rate increases end upon the effective date of the transition of the facility’s property rate to a property payment rate under the fair rental value property rate or May 31, 2026, whichever is earlier.  
  
Provides a January 1, 2025, effective date.
- 15      **Transfer of customized living enrollment dates.**  
Amends § 256B.49, by adding subd. 28a. Defines “operational” for purposes of this subdivision. Applies this paragraph only to customized living settings enrolled and operational on or before June 30, 2021, and customized living settings that have previously transferred their customized living enrollment date. Exempts certain settings for which a provider receives approval from the commissioner of health to relocate from the customized living moratorium if specified requirements are met. Specifies notification requirements and information that must be submitted by the provider to the commissioner of human services. Requires the commissioner to

**Section Description – Article 47: Aging Services**

---

approve or deny requests to transfer the original setting’s customized living enrollment date to the new setting within 30 days. Lists circumstances under which the commissioner must deny a transfer request. Lists requirements that a setting to which the original customized living enrollment date is transferred must meet.

Provides a January 1, 2025, effective date, or 90 days after federal approval, whichever is later. Requires the commissioner of human services to notify the revisor of statutes when federal approval is obtained.

**16 Long-term services and supports loan program.**

Amends § 256R.55.

**Subd. 1. Long-term services and supports loan program.** Expands the financially distressed nursing facility loan program to other long-term services and supports providers and renames the program accordingly.

**Subd. 2. Eligibility.** Makes conforming changes and establishes eligibility criteria for other long-term services and supports providers.

**Subd. 2a. Allowable uses of loan money.** Lists allowable uses of loan money.

**Subd. 3. Approving loans.** No changes.

**Subd. 4. Disbursement schedule.** Removes language allowing for loans to be disbursed as a time-limited line of credit.

**Subd. 5. Loan administration.** No changes.

**Subd. 6. Loan payments.** Makes conforming changes.

**Subd. 7. Loan repayment.** Makes conforming changes.

**Subd. 8. Audit.** No changes.

**Subd. 8a. Special revenue account.** Creates a long-term services and supports loan account in the special revenue fund in the state treasury. Transfers money appropriated for the loan program to the long-term services and supports loan account.

**Subd. 9. Carryforward.** Removes language referencing the expiration of the loan program and makes other conforming changes.

**Subd. 10. Expiration.** Removes the expiration of the loan program.

**Section Description – Article 47: Aging Services**

---

Provides a July 1, 2024, effective date, except the special revenue account is effective retroactively from July 1, 2023.

**17 Elderly waiver budget and rate exceptions; high-need participants.**

Creates § 256S.191.

**Subd. 1. Eligibility for budget and rate exceptions.** Lists circumstances under which a participant is eligible to request an elderly waiver budget and rate exception.

**Subd. 2. Requests for budget and rate exceptions.** Allows a participant to be eligible to request an elderly waiver budget and rate exception when requesting an eligibility determination for elderly waiver services. Allows a participant to request an exception to the elderly waiver case mix caps, the customized living service rate limits, service rates, or any combination of the three. Lists other requirements a participant must meet when requesting a budget or rate exception. Requires the commissioner to respond to all exception requests and to include in the response the basis for the action and notification of the right to appeal. Requires participants who are granted exceptions to apply annually to continue or modify the exception. Disqualifies participants for exceptions when the participant's needs can be met within standard elderly waiver budgets and rates.

Effective date: January 1, 2026, or upon federal approval, whichever is later. Requires the commissioner of human services to notify the revisor of statutes when federal approval is obtained.

**18 Rate adjustment application.**

Amends § 256S.205, subd. 2. Modifies the statute governing disproportionate share facilities under the elderly waiver by retroactively sunseting submission of new applications effective September 30, 2023. Retroactively prohibits the commissioner from processing any further applications for disproportionate share facilities effective October 1, 2023. Allows a facility that receives rate floor payments in rate year 2024 to submit an application to maintain its designation as a disproportionate share facility for rate year 2025.

**19 Rate adjustment eligibility criteria.**

Amends § 256S.205, subd. 3. Retroactively sunsets eligibility for a disproportionate share facility rate adjustment effective September 30, 2023. Makes a facility determined eligible for the disproportionate share rate adjustment in application year 2023 and receiving payments in rate year 2024 eligible to receive payments in

**Section Description – Article 47: Aging Services**

---

- rate year 2025 only if the commissioner determines that the facility continues to meet the eligibility requirements.
- 20 **Rate adjustment; rate floor.**  
Amends § 256S.205, subd. 5. Sunsets the rate floor established for 24-hour customized living services provided to an elderly waiver participant in a designated disproportionate share facility effective December 31, 2025. Sets the rate floor at \$141 per resident day for 24-hour customized living services for rate year 2025.  
  
Provides a January 1, 2025, effective date.
- 21 **Expiration.**  
Amends § 256S.205, by adding subd. 7. Makes the elderly waiver disproportionate share rate adjustment statute expire January 1, 2026.
- 22 **Direction to commissioner; home and community-based services system reform analysis.**  
Requires the commissioner of human services to study Minnesota’s existing HCBS system for older adults and evaluate options to meet the needs of older adults with high support needs that cannot be addressed by services or individual participant budgets available under the elderly waiver. Requires the commissioner to propose reforms to the HCBS system that meet specified goals. Requires the commissioner to submit a report with recommendations to meet the specified goals to the legislative committees with jurisdiction over human services finance and policy by December 31, 2025.
- 23 **Revisor instruction.**  
Requires the revisor of statutes to renumber the long-term services and supports loan program statute and correct all cross-references.

**Article 48: Substance Use Disorder Services**

This article includes provisions to remove the sunset on opioid manufacturer and distributor fees, expand the uses of opiate epidemic response fund appropriations, modify peer recovery support services, provide a three percent rate increase for residential substance use disorder services, and establish a reentry demonstration waiver.



**Section Description – Article 48: Substance Use Disorder Services**

---

- 1 Deposit of fees.**  
Amends § 151.065, subd. 7. Removes language requiring reduced fees to be deposited into the opiate epidemic response fund.
- 2 Facility or program.**  
Amends § 245.91, subd. 4. Expands the definition of “facility” or “program” under the statutes governing the ombudsman for mental health and developmental disabilities to include peer recovery support services provided by a recovery community organization.
- 3 Additional treatment service.**  
Amends § 245G.07, subd. 2. Modifies the list of services a licensed substance use disorder treatment facility may provide. Modifies the requirements of and services provided under peer recovery support services by adding cross-references to relevant statutes; makes technical changes.  
  
Makes section effective January 1, 2025.
- 4 Recovery peer scope of practice.**  
Amends § 245I.04, subd. 19. Expands the list of who may supervise a recovery peer to include mental health professionals. Requires a recovery peer to provide individual recovery planning to each client. Lists activities licensed alcohol and drug counselors and mental health professionals supervising a recovery peer must complete when providing supervision.
- 5 Individual recovery plan.**  
Amends § 254B.01, by adding subd. 4e. Defines “individual recovery plan” in the chapter of statutes governing substance use disorder treatment.
- 6 Recovery peer.**  
Amends § 254B.01, by adding subd. 8a. Defines “recovery peer” in the chapter of statutes governing substance use disorder treatment.
- 7 Licensure or certification required.**  
Amends § 254B.05, subd. 1. Requires recovery community organizations to meet certification rather than membership requirements in specified organizations; modifies certification or accreditation organizations. Modifies the list of qualifications peer recovery support services vendors must meet to be eligible vendors. Requires recovery community organizations approved by the commissioner before June 30, 2023, to meet the peer recovery support services vendor qualifications by September 1, 2024, in order to be eligible vendors of peer recovery support services. Clarifies appeals language. Allows complaints about a recovery community

**Section Description – Article 48: Substance Use Disorder Services**

---

organization or peer recovery support services to be made to and reviewed or investigated by the ombudsperson for mental health and developmental disabilities.

Provides an immediate effective date, except the amendments related to recovery community organization complaints and the Office of Ombudsman for Mental Health and Developmental Disabilities are effective July 1, 2025.

**8 Rate requirements.**

Amends § 254B.05, subd. 5, as amended by Laws 2024, ch. 85, § 59. Removes obsolete language. Requires eligible vendors of peer recovery support services to submit to a review of up to ten percent of all medical assistance (MA) and behavioral health fund claims for entities billing for peer recovery support services individually and not receiving a daily rate. Limits an individual client to 14 hours per week of peer recovery support services from an individual provider. Subjects peer recovery support services not provided in accordance with specified requirements to monetary recovery.

Provides a January 1, 2025, effective date.

**9 Peer recovery support services requirements.**

Creates § 254B.052.

**Subd. 1. Peer recovery support services; service requirements.** Describes requirements that must be met when providing peer recovery support services. Requires written notice for clients receiving peer recovery support service, and requires services to be voluntary. Prohibits peer recovery support services from being provided to a client residing with or employed by a recovery peer from whom they receive services.

**Subd. 2. Individual recovery plan.** Requires the individual recovery plan to be developed with the client and completed within the first three sessions with a recovery peer. Lists the information that must be included in the individual recovery plan.

**Subd. 3. Eligible vendor documentation requirements.** Requires an eligible vendor of peer recovery support services to keep a secure file for each individual receiving MA peer recovery support services. Lists the information that must be included in the file.

Provides a January 1, 2025, effective date.

**Section Description – Article 48: Substance Use Disorder Services**

---

**10 Level of care requirements.**

Amends § 254B.19, subd. 1. Specifies the minimum number of treatment services hours per week that ASAM level 3.3 and 3.5 vendors must provide each client for the period between January 1, 2024, through June 30, 2024.

Provides an immediate effective date.

**11 Appropriations from registration and license fee account.**

Amends § 256.043, subd. 3. Expands uses of opiate epidemic response fund appropriations related to child protection services to include prevention. Modifies the distribution of funds to county social services agencies and Tribal social service agency initiative projects that are used for child protection services.

**12 Reentry Demonstration Waiver.**

Creates § 256B.0761.

**Subd. 1. Establishment.** Requires the commissioner to submit a waiver application to CMS to implement an MA demonstration project to provide health care and coordination services that bridge to community-based services for individuals confined in state, local, or Tribal correctional facilities prior to community reentry. Specifies requirements the demonstration must be designed to meet.

**Subd. 2. Eligible individuals.** Lists eligibility criteria to receive services under this demonstration.

**Subd. 3. Eligible correctional facilities.** Limits the waiver application to certain correctional facilities. Allows additional facilities to be added contingent on legislative authorization and appropriations.

**Subd. 4. Services and duration.** Requires services to be provided 90 days prior to an individual's release date or, if an individual's confinement is less than 90 days, during the time period between the MA eligibility determination and release to the community. Lists the services that facilities must offer using either community-based or corrections-based providers. Limits service authorization to demonstrated medical necessity or other eligibility as required under the chapter of statutes governing MA or applicable state and federal laws.

**Subd. 5. Provider requirements and standards.** Requires service providers to: (1) adhere to applicable licensing and provider requirements as required by federal guidance; and (2) be enrolled to provide services under Minnesota health care programs. Allows services to be provided by eligible providers employed by the correctional facility or by eligible community providers under contract with the correctional facility. Requires the commissioner to determine whether each

**Section Description – Article 48: Substance Use Disorder Services**

---

facility is ready to participate in this demonstration based on a facility-submitted assessment of the facility's readiness to implement specified activities. Requires participating facilities to detail reinvestment plans for all new federal Medicaid funds expended for reentry services that were previously the responsibility of each facility and provide detailed financial reports to the commissioner.

**Subd. 6. Payment rates.** Makes payment rates for services approved under the demonstration equal to current and applicable state law and federal requirements. Makes case management payment rates equal to MA relocation targeted case management payment rates. Specifies payment rates for covered drugs and billing and submission requirements for drugs. Allows providers to establish written protocols for establishing or calculating the facility's actual acquisition drug cost based on a monthly, quarterly, or other average of the facility's actual acquisition drug cost through the discount purchasing program. Prohibits a written protocol from including an inflation, markup, spread, or margin to be added to the provider's actual purchase price after subtracting all discounts.

**Subd. 7. Reentry services working group.** Requires the commissioner of human services to convene a reentry services working group to consider ways to improve the demonstration under this section and related policies for justice-involved individuals. Specifies the individuals and organizations that must be represented in the working group. Lists the duties of the working group.

Effective date: January 1, 2026, or upon federal approval, whichever is later, except subdivision 7 is effective July 1, 2024. Requires the commissioner of human services to notify the revisor of statutes when federal approval is obtained.

**13 Limitation of choice.**

Amends § 256B.69, subd. 4. Exempts persons enrolled in the reentry demonstration waiver from participating in managed care.

Effective date: January 1, 2026, or upon federal approval, whichever is later. Requires the commissioner of human services to notify the revisor of statutes when federal approval is obtained.

**14 Health care professionals; release from liability.**

Amends § 604A.04, subd. 3. Exempts a local unit of government, if acting in good faith, from being subject to civil liability or criminal prosecution for distributing or administering an opiate antagonist pursuant to certain requirements.

**Section Description – Article 48: Substance Use Disorder Services**

---

- 15      **Direction to ombudsman for mental health and developmental disabilities.**  
By September 30, 2025, requires the ombudsman for mental health and developmental disabilities to provide a report to the governor and the legislature containing summary information on complaints received regarding peer recovery support services provided by a recovery community organization and any recommendations to the legislature to improve the quality of peer recovery support services, recovery peer worker misclassifications, and peer recovery support services billing codes and procedures.
- 16      **Peer recovery support services and recovery community organization working group.**  
Establishes a peer recovery support services and recovery community organization working group.
- Subd. 1. Establishment; duties.** Requires the commissioner of human services to convene a working group to develop recommendations on various topics related to peer recovery support services and recovery community organizations, including billing rates and practices, acceptable activities to bill for peer recovery support services, improving recovery peer supervision, and certification or other regulation of recovery community organizations and recovery peers.
- Subd. 2. Membership; meetings.** Lists the members of the working group. Requires the commissioner to: (1) make appointments to the working group by October 1, 2024, and convene the first meeting of the working group by December 1, 2024; and (2) provide administrative support and meeting space for the working group. Allows the working group to conduct meetings remotely.
- Subd. 3. Report.** Requires the commissioner to complete and submit a report on the recommendations of the working group to the legislative committees with jurisdiction over health and human services policy and finance on or before August 1, 2025.
- Subd. 4. Expiration.** Makes the working group expire upon submission of the report to the legislature.
- 17      **Capacity-building and implementation grants for the MA reentry demonstration.**  
Requires the commissioner of human services to establish capacity-building grants for eligible correctional facilities as they prepare to implement reentry demonstration services. Lists allowable expenditures under the grant.
- 18      **1115 waiver for MA reentry demonstration.**  
Requires the commissioner of human services to submit an application to the federal government to implement an MA reentry demonstration that covers services for

**Section Description – Article 48: Substance Use Disorder Services**

---

incarcerated individuals. Makes coverage of prerelease services contingent on federal approval of the demonstration and the required implementation and reinvestment plans.

**19 Residential SUD rate increase.**

Requires the commissioner of human services to increase rates for residential substance use disorder (SUD) services by three percent for the 1115 demonstration base rates in effect as of January 1, 2024.

Effective date: January 1, 2025, or upon federal approval, whichever is later. Requires the commissioner of human services to notify the revisor of statutes when federal approval is obtained.

**20 Repealer.**

Repeals Minn. Stat. § 256.043, subd. 4 (settlement; sunset), effective July 1, 2024.

## **Article 49: Priority Admissions and Civil Commitment**

This article includes provisions to implement some of the recommendations from the Task Force on Priority Admissions to State-Operated Treatment Programs, reimburses Beltrami and Todd Counties for certain cost of care payments, and establishes a Task Force on Mentally Ill and Dangerous Civil Commitment Reform.

**Section Description – Article 49: Priority Admissions and Civil Commitment**

---

**1 Additional requirements for locked program facility.**

Amends § 245I.23, subd. 19a. Removes a requirement that a license holder's policies and procedures clearly describe the types of court orders that authorize the license holder to prohibit clients from leaving the facility. Makes technical changes.

**2 Legislative approval required.**

Amends § 246.129, as amended by Laws 2024, ch. 79, art. 1, § 9. Removes language exempting closures of Direct Care and Treatment (DCT) state-operated enterprise services from needing legislative approval.

**3 Anoka-Metro Regional Treatment Center.**

Amends § 246.54, subd. 1a. Modifies county cost of care requirements for Anoka-Metro Regional Treatment Center for the period from April 1, 2025, to June 30, 2025.

**Section Description – Article 49: Priority Admissions and Civil Commitment**

---

**4 Community behavioral health hospitals.**

Amends § 246.54, subd. 1b. Modifies county cost of care requirements for community behavioral health hospitals for the period from April 1, 2025, to June 30, 2025.

**5 Administrative requirements.**

Amends § 253B.10, subd. 1, as amended by Laws 2024, ch. 79, art. 5, § 8. Makes various changes to priority admissions to state-operated treatment programs, including:

- Prioritizing civilly committed persons being admitted from jail or a correctional institution to a medically appropriate DCT program based on the decisions of physicians in the executive medical director's office, using a new priority admissions framework.
- Listing the factors for which the framework must account for priority admission.
- Requiring the executive medical director to notify certain individuals and entities within four business days of determining which state-operated DCT program or programs are appropriate for an individual.

Makes this section effective July 1, 2024.

**6 MA payment for assertive community treatment and intensive residential treatment services.**

Amends § 256B.0622, subd. 8. Prohibits medical assistance (MA) payment from being made based solely on a court order to participate in intensive residential treatment services. Limits MA payment to clients who are eligible for the service and for whom the service is determined to be medically necessary.

**7 Priority admissions review panel.**

Establishes a priority admissions review panel, appointed by the commissioner, consisting of task force members and a union representative, to: (1) evaluate the 48-hour timeline for priority admissions and submit a written report to the legislature; (2) advise the commissioner on the effectiveness of the framework and priority admissions generally; and (3) review de-identified data quarterly for one year following the implementation of the framework to ensure that the framework is implemented and applied equitably.

After the panel completes its year of review, requires a quality committee established by the Direct Care and Treatment executive board to continue to review data and provide a routine report to the executive board on the effectiveness of the framework and priority admissions.

**Section Description – Article 49: Priority Admissions and Civil Commitment**

---

Provides a July 1, 2024, effective date.

**8 Direction to commissioner of human services; reimbursement to Beltrami County and Todd County for certain cost of care payments.**

Prohibits the commissioner of human services from sanctioning or otherwise seeking payment from Beltrami County for the cost of care provided at Anoka-Metro Regional Treatment Center or a community-based behavioral health hospital between July 1, 2022, and June 30, 2023, for clients awaiting transfer to another state-operated facility or program when determined to be clinically appropriate.

Prohibits the commissioner of human services from sanctioning or otherwise seeking payment from Todd County for the cost of care provided at Anoka-Metro Regional Treatment Center between August 22, 2023, and February 3, 2024, for clients awaiting transfer to another state-operated facility or program when determined to be clinically appropriate.

Requires the state to reimburse Beltrami County and Todd County with state money any amount previously paid to the state or otherwise recovered by the commissioner for the cost of care.

States nothing in this section prohibits the commissioner from seeking reimbursement from Beltrami County for the cost of care provided in Anoka-Metro Regional Treatment Center or a state-operated community-based behavioral health hospital for care not described in this section.

States nothing in this section prohibits the commissioner from seeking reimbursement from Todd County for the cost of care provided in Anoka-Metro Regional Treatment Center or by any state-operated facility or program in excess of the amount specified in this section.

Specifies the client is not responsible for payment of the cost of care.

Provides an immediate effective date.

**9 Mentally Ill and Dangerous Civil Commitment Reform Task Force.**

Establishes the Mentally Ill and Dangerous Civil Commitment Reform Task Force.

**Subd. 1. Establishment; purpose.** Establishes the Mentally Ill and Dangerous Civil Commitment Reform Task Force to evaluate current statutes related to mentally ill and dangerous civil commitments and develop recommendations to optimize the use of state-operated mental health resources and increase equitable access and outcomes for patients.



**Section Description – Article 49: Priority Admissions and Civil Commitment**

---

**Subd. 2. Membership.** Lists the membership of the Mentally Ill and Dangerous Civil Commitment Reform Task Force. Prohibits members of the legislature from serving on the task force. Requires appointments to the task force to be made by July 30, 2024.

**Subd. 3. Compensation; removal; vacancy.** Allows members of the task force to be compensated according to the statute governing advisory councils and committees. Allows members to be removed by the appointing authority at any time at the pleasure of the appointing authority. In the case of a vacancy on the task force, requires the appointing authority to appoint an individual to fill a vacancy for the remainder of the unexpired term.

**Subd. 4. Officers; meetings.** Requires the commissioner of human services to convene the first meeting of the task force no later than September 1, 2024. Requires the task force to elect a chair and vice-chair from among its members and makes the task force subject to the Minnesota Open Meeting Law.

**Subd. 5. Staff.** Requires the commissioner of human services to provide staff assistance to support the work of the task force.

**Subd. 6. Data usage and privacy.** Specifies any data provided by executive agencies as part of the work of the task force is subject to the chapter of statutes governing government data practices and all other applicable data privacy laws.

**Subd. 7. Duties.** Lists the duties of the task force.

**Subd. 8. Report required.** By August 1, 2025, requires the task force to submit to the legislative committees with jurisdiction over mentally ill and dangerous civil commitments a written report that includes the outcome of the duties of the task force, including but not limited to recommended statutory changes.

**Subd. 9. Expiration.** Makes the task force expire January 1, 2026.

Provides an immediate effective date.

10 **Engagement services pilot grants.**

**Subd. 1. Creation.** Establishes the engagement services pilot grant program to provide grants to counties or certified community behavioral health clinics to provide engagement services under the services for engagement in treatment program. Requires the commissioner to award one grant to Otter Tail County. Specifies that engagement services provide early interventions to prevent an individual from meeting the criteria for civil commitment and promote positive outcomes.

**Section Description – Article 49: Priority Admissions and Civil Commitment**

---

**Subd. 2. Allowable grant activities.** Lists the activities for which grantees may use grant funding. Requires engagement services staff to have completed training on person-centered care. Allows engagement services staff to include mobile crisis providers, certified peer specialists, community-based treatment programs staff, and homeless outreach workers.

**11 Direction to commissioner of human services; limited exception for admission from hospital settings.**

Requires the commissioner to immediately approve an exception to add up to ten civilly committed patients who are awaiting admission in hospital settings to the priority admissions waiting list for admission to medically appropriate DCT programs. Makes this exception expire upon the commissioner’s approval of the exception for ten patients.

Makes this section effective the day following final enactment.

**12 County correctional facility long-acting injectable antipsychotic medication pilot program.**

**Subd. 1. Authorization.** Requires the commissioner of human services to establish a pilot program that provides payments to counties, to support county correctional facilities in delivering long-acting injectable antipsychotic medications to prisoners for mental health treatment.

**Subd. 2. Application.** Outlines application requirements.

**Subd. 3. Pilot program payments; allowable uses.** Outlines allowable uses of pilot program reimbursement payments.

**Subd. 4. Pilot program payment allocation.** Outlines how payments will be allocated.

**Subd. 5. Report.** Requires the commissioner to provide a summary report to the legislature on the pilot program by December 15, 2025.

**13 Report on inpatient SUD beds.**

By January 15, 2025, requires the DCT executive board to submit a report to the legislative committees with jurisdiction over human services finance and policy with options for increasing inpatient substance use disorder (SUD) beds operated by the executive board. Requires one option to include the development of an inpatient SUD program operated by the executive board within 35 miles of the existing CARE-St. Peter facility.

## Article 50: Direct Care and Treatment

This article establishes the Direct Care and Treatment (DCT) agency and the powers and duties of the DCT executive board and chief executive officer.

### Section Description – Article 50: Direct Care and Treatment

---

- 1 Definitions.**

Amends § 10.65, subd. 2. Adds Direct Care and Treatment to the definition of “agency” in the section of statutes governing government-to-government relationships with Tribal governments.

Provides a July 1, 2024, effective date.
- 2 Definitions.**

Amends § 13.46, subd. 1, as amended by Laws 2024, ch. 79, art. 9, § 1, and Laws 2024, ch. 80, art. 8, § 1. Makes a conforming change to the name of the new DCT agency in the section of statutes governing welfare data.

Provides a July 1, 2024, effective date.
- 3 General.**

Amends § 13.46, subd. 2, as amended by Laws 2024, ch. 80, art. 8, § 2. Allows Direct Care and Treatment to share private data on individuals with the Departments of Human Services, Employment and Economic Development, Children, Youth, and Families, and Education for specified purposes.

Provides a July 1, 2024, effective date.
- 4 Responsible authority.**

Amends § 13.46, subd. 10, as amended by Laws 2024, ch. 79, art. 9, § 2. Makes a conforming change to the name of the new DCT agency and makes the chief executive officer rather than the executive board the responsible authority for DCT in the section of statutes governing welfare data.

Provides a July 1, 2024, effective date.
- 5 Departments of the state.**

Amends § 15.01. Removes the Department of Direct Care and Treatment from the list of departments of the state government.

Provides a July 1, 2024, effective date.

**Section Description – Article 50: Direct Care and Treatment**

---

- 6      **Applicability.**  
Amends § 15.06, subd. 1, as amended by Laws 2024, ch. 85, § 6. Makes conforming changes.  
  
Provides a July 1, 2024, effective date.
- 7      **Agency head salaries.**  
Amends § 15A.0815, subd. 2. Adds the DCT chief executive officer to the list of positions for which the salary must be determined by the Compensation Council.
- 8      **Creation.**  
Amends § 15A.082, subd. 1. Requires the Compensation Council to determine the daily compensation for voting members of the DCT executive board.
- 9      **Submission of recommendations and determination.**  
Amends § 15A.082, subd. 3. Requires the Compensation Council to prescribe daily compensation for voting members of the DCT executive board by April 1 in each odd-numbered year. Specifies when the recommended daily compensation takes effect.
- 10     **No ex parte communications.**  
Amends § 15A.082, subd. 7. Makes conforming changes related to the determination of daily compensation for DCT executive board voting members.
- 11     **Unclassified positions.**  
Amends § 43A.08, subd. 1. Makes conforming changes related to the creation of the chief executive officer of DCT.  
  
Provides a July 1, 2024, effective date.
- 12     **Additional unclassified positions.**  
Amends § 43A.08, subd. 1a. Makes a conforming change.  
  
Provides a July 1, 2024, effective date.
- 13     **Review organization.**  
Amends § 145.61, subd. 5. Adds DCT to the definition of “review organization” in the chapter of statutes governing public health organizations.  
  
Provides a July 1, 2024, effective date.

**Section Description – Article 50: Direct Care and Treatment**

---

**14 Duties.**

Amends § 246.018, subd. 3, as amended by Laws 2024, ch. 79, art. 1, § 6. Makes conforming changes related to the establishment of the DCT executive board and chief executive officer.

Provides a July 1, 2024, effective date.

**15 Definitions; risk assessment and management.**

Amends § 246.13, subd. 2, as amended by Laws 2024, ch. 79, art. 2, § 4. Makes conforming changes related to the transfer of authority for state-operated services from DHS to DCT.

Provides a July 1, 2024, effective date.

**16 Reciprocal exchange of certain persons.**

Amends § 246.234, as amended by Laws 2024, ch. 79, art. 1, § 11. Makes technical changes.

Provides a July 1, 2024, effective date.

**17 Acceptance of voluntary, uncompensated services.**

Amends § 246.36, as amended by Laws 2024, ch. 79, art. 1, § 14. Makes technical changes and removes language allowing for volunteer agencies, organizations, or persons to purchase supplies, services, and equipment to be used in providing services to residents of state facilities through the Department of Administration.

Provides a July 1, 2024, effective date.

**18 Title.**

Amends § 246C.01. Makes a conforming change to the name of the new DCT agency.

Provides a July 1, 2024, effective date.

**19 Direct Care and Treatment; Establishment.**

Amends § 246C.02, as amended by Laws 2024, ch. 79, art. 1, § 19.

**Subd. 1. Establishment.** Makes technical changes.

**Subd. 2. Mission.** Repeals this subdivision.

**Subd. 3. DCT services.** Makes technical changes and moves language from subdivision 2 to this subdivision.

**Section Description – Article 50: Direct Care and Treatment**

---

**Subd. 4. Statewide services.** No changes.

**Subd. 5. Department of Human Services as state agency.** No changes.

Provides a July 1, 2024, effective date.

**20 Transfer of duties.**

Amends § 246C.04, as amended by Laws 2024, ch. 79, art. 1, § 21.

**Subd. 1. Transfer of duties.** Makes technical and conforming changes. Removes language related to the initial salary for the DCT chief executive officer.

**Subd. 2. Transfer of custody of civilly committed persons.** Requires the commissioner of human services to continue to exercise all authorities and responsibilities for state-operated services, programs, and facilities subject to transfer to DCT until July 1, 2025. Effective July 1, 2025, the powers and duties vested in or imposed upon the commissioner of human services related to any state-operated service, program, or facility are transferred to the DCT executive board.

**Subd. 3. Control of DCT.** Requires the commissioner of human services to continue to exercise all authorities and responsibilities related to state-operated services, programs, and facilities subject to transfer until July 1, 2025.

**Subd. 4. Appropriations.** No changes.

Provides a July 1, 2024, effective date.

**21 Employee protections for establishing DCT.**

Amends § 246C.05, as amended by Laws 2024, ch. 79, art. 1, § 22. Makes technical and conforming changes.

Provides a July 1, 2024, effective date.

**22 Powers and duties of the executive board.**

Creates § 246C.07.

**Subd. 1. Generally.** Lays out the general powers and duties of the DCT executive board.

**Subd. 2. Principles.** Lists the principles under which the executive board shall act in undertaking its duties and responsibilities.

**Section Description – Article 50: Direct Care and Treatment**

---

**Subd. 3. Powers and duties.** Lists the specific powers and duties of the DCT executive board.

**Subd. 4. Creation of bylaws.** Allows the board to establish bylaws governing its operations and the operations of DCT in accordance with the chapter governing DCT.

**Subd. 5. Performance of chief executive officer.** Allows the governor to request that the executive board review the performance of the chief executive officer at any time. Specifies the timeline and process for the performance review.

Provides a July 1, 2024, effective date.

**23 Chief executive officer; service; duties.**

Creates § 246C.08.

**Subd. 1. Service.** States that the DCT chief executive officer: (1) is appointed by the executive board, in consultation with the governor, and serves at the pleasure of the board, with the advice and consent of the Senate; and (2) serves in the unclassified service and has a salary established by the Compensation Council.

**Subd. 2. Powers and duties.** Lays out the powers and duties of the DCT chief executive officer, including the administrative and operational management of the agency. In the event of a vacancy within the chief executive officer position, requires the executive medical director to immediately become the temporary chief executive officer until the board appoints a new chief executive officer.

Provides a July 1, 2024, effective date.

**24 DCT accounts.**

Creates § 246C.091.

**Subd. 1. Gifts, grants, and contributions account.** Creates a gifts, grants, and contributions account in the special revenue fund of the state treasury. Beginning July 1, 2025, annually appropriates money in the account to the DCT executive board to accomplish the purposes of the chapter of statutes governing DCT. Requires gifts, grants, and contributions received by the board exceeding current agency needs to be invested by the State Board of Investment. Requires disbursements from the account to be made in the manner provided for the issuance of other state payments. Specifies how contributions designated for a certain person, institution, or purpose are treated.

**Section Description – Article 50: Direct Care and Treatment**

---

**Subd. 2. Facilities management account.** Creates a facilities management account in the special revenue fund of the state treasury. Beginning July 1, 2025, appropriates money in the account to the DCT executive board and allows funds to be used to maintain buildings, acquire facilities, renovate existing buildings, or acquire land for the design and construction of buildings for DCT use. Allows money received for maintaining state property under control of the executive board to be deposited into this account.

**Subd. 3. DCT systems account.** Creates a DCT systems account in the special revenue fund of the state treasury. Beginning July 1, 2025, appropriates money in the account to the DCT executive board to be used for security systems and information technology projects, services, and support under control of the board. Requires the commissioner of human services to transfer all money allocated to DCT systems projects to the DCT systems account by June 30, 2026.

**Subd. 4. Cemetery maintenance account.** Creates the cemetery maintenance account in the special revenue fund of the state treasury. Appropriates money in the account to the executive board for the maintenance of cemeteries under control of the board. Allows money allocated to DCT cemeteries to be transferred to this account.

Provides a July 1, 2024, effective date.

25 **Social welfare fund established.**

Amends § 256.88. Makes a conforming change related to the establishment of DCT as an agency.

Provides a July 1, 2024, effective date.

26 **Fund deposited in state treasury.**

Amends § 256.89. Makes conforming changes to the social welfare fund related to the establishment of DCT.

Provides a July 1, 2024, effective date.

27 **Social welfare fund; use; disposition; depositories.**

Amends § 256.90. Makes conforming changes to the social welfare fund related to the establishment of DCT.

Provides a July 1, 2024, effective date.



**Section Description – Article 50: Direct Care and Treatment**

---

- 28      **Purposes.**  
Amends § 256.91. Allows the DCT executive board to make payments from the social welfare fund.  
  
Provides a July 1, 2024, effective date.
- 29      **Commissioner of human services and DCT, accounts.**  
Amends § 256.92. Makes conforming changes related to the establishment of DCT.  
  
Provides a July 1, 2024, effective date.
- 30      **Effective date.**  
Amends Laws 2023, ch. 61, art. 8, § 1, the effective date. Modifies an effective date related to the establishment of DCT by making the effective date July 1, 2024, rather than January 1, 2025.
- 31      **Effective date.**  
Amends Laws 2023, ch. 61, art. 8, § 2, the effective date. Modifies an effective date related to the establishment of DCT by making the effective date July 1, 2024, rather than January 1, 2025.
- 32      **Effective date.**  
Amends Laws 2023, ch. 61, art. 8, § 3, the effective date. Modifies an effective date related to the establishment of DCT by making the effective date July 1, 2024, rather than January 1, 2025.
- 33      **Effective date.**  
Amends Laws 2023, ch. 61, art. 8, § 8, the effective date. Modifies an effective date related to the establishment of DCT by making the effective date July 1, 2024, rather than January 1, 2025.
- 34      **Definitions.**  
Amends Laws 2024, ch. 79, art. 1, § 18. Makes conforming changes to definitions in the chapter of statutes governing DCT and adds a definition of “Direct Care and Treatment.”  
  
Provides a July 1, 2024, effective date.
- 35      **Executive board; membership; governance.**  
Amends Laws 2024, ch. 79, art. 1, § 23.

**Section Description – Article 50: Direct Care and Treatment**

---

**Subd. 1. Establishment.** Makes technical changes to reflect the correct title of the DCT agency.

**Subd. 2. Membership.** Specifies the DCT executive board consists of nine members with seven voting members and two nonvoting members. Specifies the seven voting members must include six members appointed by the governor, with the advice and consent of the senate, and the commissioner of human services. Specifies the two nonvoting members must include one member appointed by the Association of Minnesota Counties and one member who has an active role as a union representative representing staff at DCT. Lists the qualifications the voting members appointed by the governor must meet. Requires membership on the board to include representation from outside the seven-county metro area. Prohibits voting members of the executive board from being an employee of DCT; an employee of a county, including a county commissioner; an active employee or representative of a labor union that represents employees of DCT; or a member of the state legislature.

**Subd. 3. Procedures.** Removes language related to qualifications of board members and, except as otherwise provided, makes the membership terms and removal and filling of vacancies for the executive board governed by the section of statutes governing administrative boards and agencies.

**Subd. 4. Compensation.** Removes language related to the executive board's authority to accept gifts and prohibits the nonvoting members of the executive board from receiving daily compensation for executive board activities. Allows voting and nonvoting members of the executive board to receive expenses in the same manner and amount as authorized by the commissioner's adopted plan under the section of statutes governing total compensation and collective bargaining agreements. Allows voting and nonvoting members who, as a result of time spent attending board meetings, incur child care expenses that would not otherwise have been incurred to be reimbursed for those expenses upon board authorization. Requires the Compensation Council to determine the compensation for voting members of the executive board per day spent on executive board activities authorized by the board. Requires the commissioner of management and budget to publish the daily compensation rate for voting members of the executive board on the Department of Management and Budget website. Requires voting members of the board to adopt internal standards prescribing what constitutes a day spent on board activities for the purposes of receiving payment.

**Subd. 5. Acting chair; officers.** Removes language related to receipt of federal aid or block grants and requires the governor to designate one member from the voting membership appointed by the governor as acting chair of the executive board. Requires the executive board to elect a chair from among the voting

**Section Description – Article 50: Direct Care and Treatment**

---

membership appointed by the governor at the first meeting of the board. Requires the board to annually elect a chair from among the voting membership appointed by the governor. Requires the board to elect officers from among the voting membership appointed by the governor and requires elected officers to serve for one year.

**Subd. 6. Terms.** Removes language related to the operation of a communications systems account and specifies terms and term limits for executive board members. Requires the commissioner of human services to serve until replaced by the governor. Allows an executive board member to resign at any time by giving written notice to the executive board.

**Subd. 7. Conflicts of interest.** Requires board members to recuse themselves from discussion of and voting on an official matter if the board member has a conflict of interest. Describes conflict of interest.

**Subd. 8. Meetings.** Requires the executive board to meet at least four times per fiscal year at a place and time determined by the executive board.

**Subd. 9. Quorum.** Specifies a majority of the voting members of the executive board constitutes a quorum. Specifies the affirmative vote of a majority of the voting members of the executive board is necessary and sufficient for action taken by the executive board.

**Subd. 10. Immunity; indemnification.** Makes members of the board immune from civil liability for any act or omission occurring within the scope of performance of their duties. Makes members of the board employees of the state for purposes of indemnification when performing executive board duties or actions.

**Subd. 11. Rulemaking.** Authorizes the executive board to adopt, amend, and repeal rules as necessary to implement any responsibilities of DCT specified in state law. Allows the executive board to adopt rules using the expedited rulemaking process until July 1, 2027. Continues in effect all orders, rules, delegations, permits, and other privileges issued or granted by DHS with respect to any function of DCT and in effect at the time of the establishment of DCT. Prohibits the board from adopting rules that go into effect or enforcing rules prior to July 1, 2025.

Provides a July 1, 2024, effective date.

**Section Description – Article 50: Direct Care and Treatment**

---

**36 Forensic services.**

Amends Laws 2024, ch. 79, art. 1, § 24. Makes technical changes and makes rulemaking permissive instead of required.

Provides a July 1, 2024, effective date.

**37 Comprehensive system of services.**

Amends Laws 2024, ch. 79, art. 1, § 25, subd. 3. Makes a grammatical correction.

Provides a July 1, 2024, effective date.

**38 Revisor instruction.**

Amends Laws 2024, ch. 79, art. 10, § 1. Renumbers certain statutes that are moving due to the establishment of the DCT agency.

**39 Effective date.**

Amends Laws 2024, ch. 79, art. 10, § 6. Makes the DCT recodification act effective July 1, 2024.

**40 DCT Advisory Committee.**

Requires the executive board to establish an advisory committee to provide state legislators, counties, union representatives, NAMI Minnesota, people being served by DCT programs, and other stakeholders the opportunity to advise the board regarding the operation of DCT. Specifies advisory committee membership and appointing authorities. Requires appointing authorities to make appointments by January 1, 2026, and for the first meeting of the advisory committee to be held no later than January 15, 2026. Requires the board to regularly consult with the advisory committee. Makes the advisory committee expire December 31, 2027.

**41 Initial appointments and compensation of the Direct Care and Treatment executive board and chief executive officer.**

This section specifies requirements related to the initial appointments and compensation of the executive board and chief executive officer.

**Subd. 1. Executive board.** Requires the initial appointments of the members of the DCT executive board to be made by January 1, 2025. Specifies the daily compensation rate for voting members of the board prior to the first Compensation Council determination of the daily compensation rate. Exempts the board from the Open Meeting Law until the authority and responsibilities for DCT are transferred to the board.

**Subd. 2. Chief executive officer.** Specifies the initial appointment of the chief executive officer of DCT. Prohibits the salary of the initial chief executive officer

**Section Description – Article 50: Direct Care and Treatment**

---

from being less than the amount paid to the chief executive officer of the Direct Care and Treatment Division of DHS as of the date of the initial appointment. Requires the Compensation Council to establish the salary of the chief executive officer in its report issued April 1, 2025. Makes the initial appointment of the chief executive officer subject to confirmation by the senate.

**Subd. 3. Commissioner of human services to consult.** Requires the commissioner of human services to consult with the DCT executive board before submitting budget estimates or legislative proposals for the Direct Care and Treatment Division for the 2026-2027 biennial budget and any legislative proposals for the 2025 legislative session that involve direct care and treatment operations. Specifies the process for submission if the executive board is not appointed by the date the budget estimates must be provided to the commissioner of management and budget.

Provides a July 1, 2024, effective date.

**42 Revisor instruction.**

Requires the revisor of statutes to: (1) change the term “Department of Human Services” to “Direct Care and Treatment” wherever the term appears in respect to the governmental entity with programmatic direction and fiscal control over state-operated services, programs, or facilities; and (2) make technical and other necessary changes to sentence structure to preserve the meaning of the text.

Provides an immediate effective date.

**43 Revisor instruction.**

Requires the revisor of statutes to: (1) change the term “Department of Direct Care and Treatment” to “Direct Care and Treatment” wherever the term appears in respect to the governmental entity with programmatic direction and fiscal control over state-operated services, programs, or facilities; and (2) make technical and other necessary changes to sentence structure to preserve the meaning of the text.

Provides an immediate effective date.

**44 Revisor instruction.**

Requires the revisor of statutes, in consultation with nonpartisan legislative staff, the Department of Human Services, and DCT, to make necessary cross-reference changes to conform with this act. Allows the revisor to: (1) make technical and other necessary changes to sentence structure to preserve the meaning of the text; and (2) alter the coding in this act to incorporate statutory changes made by other law in the 2024 regular legislative session.

**Section Description – Article 50: Direct Care and Treatment**

---

Provides an immediate effective date.

**45 Repealer.**

Repeals Minn. Stat. § 246.41 (benefit for persons with developmental disabilities), 246C.03 (transition of authority; development of a board), and 253C.01 (reporting by residential treatment programs required), effective July 1, 2024.

## **Article 51: Miscellaneous**

This article includes provisions to: provide for free communication services for patients and clients in any Direct Care and Treatment (DCT) program or facility, establish a community care hub planning grant, require the commissioner to consult with others on targeted case management redesign, require the commissioner to develop a health-related social needs waiver, require the commissioner to study navigator reimbursement, and establish a working group on simplifying supportive housing resources.

**Section Description – Article 51: Miscellaneous**

---

**1 Free communication services.**

**Subd. 1. Free communication services.** Requires DCT facilities to provide patients and clients with voice communication services and to continue to offer the services offered as of January 1, 2024. Allows a facility to supplement voice communication services with other services. Prohibits the individual initiating the communication and the individual receiving the communication from being charged for the service.

**Subd. 2. Communication services restrictions.** Specifies patients or clients are not allowed to violate an active protection order, harassment restraining order, or other no-contact order or directive.

**Subd. 3. Revenue prohibited.** Prohibits DCT from receiving revenue from the provision of voice communication services or any other communication services under this section.

**Subd. 4. Visitation programs.** Requires facilities to maintain in-person visits for patients or clients. Prohibits communication services from replacing a facility's in-person visitation program or from being counted toward a patient's or client's in-person visitation limit. Specifies when the DCT executive board may waive the in-person visitation program requirement.

**Section Description – Article 51: Miscellaneous**

---

**Subd. 5. Reporting.** Lists information the DCT executive board must report to the legislative committees with jurisdiction over human services policy and finance by January 15, 2026.

**Subd. 6. Definitions.** Defines “voice communications,” “other communication services,” and “facility” for purposes of this section.

**Subd. 7. Expiration.** Provides a June 30, 2026, expiration date for subdivisions 1 to 4. Makes subdivisions 5 and 6 expire upon submission of the legislative report required in subdivision 5.

**2 Community care hub planning grant.**

**Subd. 1. Establishment.** Requires the commissioner of health to establish a single grant to develop and design programs to expand and strengthen the community care hub model.

**Subd. 2. Definitions.** Defines “community-based organization,” “community care hub,” “health-related social needs,” and “social care services.”

**Subd. 3. Eligible applicants.** Lays out requirements in order to be an eligible applicant for the grant under this section.

**Subd. 4. Eligible uses.** Requires the grantee to use awarded funding to develop and design programs that support the development of a social care network that provides services to address health-related social needs. Lists activities eligible for funding.

Provides a July 1, 2024, effective date.

**3 Direction to commissioner; federal waivers for health-related social needs.**

Requires the commissioner of human services to: (1) develop a strategy to implement interventions to address unmet health-related social needs; (2) consider whether services could be reimbursed under section 1115 of the Social Security Act, other federal waivers, or existing state authority; (3) collaborate with specified partners on specific interventions to include in the proposed strategy; and (4) by March 1, 2025, provide the strategy developed to the legislature. Allows the commissioner to perform the steps necessary to develop a federal waiver or other strategies in preparation for enactment of the strategies. Exempts the commissioner from state procurement requirements when entering into a new contract or amending an existing contract to complete the work under this section.

Provides an immediate effective date.

**Section Description – Article 51: Miscellaneous**

---

**4 Working group on simplifying supportive housing resources.**

Establishes a working group on simplifying supportive housing resources.

**Subd. 1. Establishment.** Establishes a working group on simplifying supportive housing resources to streamline access, eligibility, and administration of state-funded supportive housing resources for people experiencing homelessness.

**Subd. 2. Membership.** Lists the members of the working group on simplifying supportive housing resources. Requires all appointing authorities to make appointments to the working group by August 1, 2024.

**Subd. 3. Duties.** Requires the working group to study supportive housing resources to streamline access, eligibility, and administration of state-funded housing resources for people experiencing homelessness. Lists programs that must be included in the study. Requires the working group to identify the processes, procedures, and technological or personnel resources that would be necessary to enable the state, county or Tribal agencies, and providers responsible for administering public supportive housing funds to meet specified goals.

**Subd. 4. Compensation.** Prohibits members of the working group from being compensated, except for the members with lived experience of homelessness.

**Subd. 5. Meetings; facilitation.** Requires the commissioner of human services to facilitate the working group and convene the first meeting by January 15, 2025. Requires the working group to meet at regular intervals to fulfill the duties of the working group. Subjects the working group to the Open Meeting Law.

**Subd. 6. Consultation.** Requires the working group to consult with other individuals and organizations that have expertise and experience in providing supportive services that may assist the working group in fulfilling its responsibilities.

**Subd. 7. Report required.** Requires the working group to submit a final report by January 15, 2026, to the legislative committees with jurisdiction over housing and homelessness finance and policy detailing the recommendations to streamline access, eligibility, and administration of state-funded supportive housing resources for people experiencing homelessness and any necessary draft legislation to implement the recommendations.

**Subd. 8. Expiration.** Makes the working group expire January 15, 2026.

Provides an immediate effective date.



**Section Description – Article 51: Miscellaneous**

---

- 5 **Homelessness priority; homelessness report.**  
No later than January 15, 2025, requires the commissioner of human services, in cooperation with the commissioner of the Minnesota Housing Finance Agency and other relevant departments, to report to the legislative committees with jurisdiction over human services policy and finance on the departments' activities to reduce homelessness.
- 6 **Direction to commissioner; targeted case management redesign.**  
Requires the commissioner of human services, in consultation with others, to improve case management information systems and identify the necessary changes needed to comply with regulations related to federal certified public expenditures. Requires the changes to facilitate transition to use of a 15-minute unit rate or improved financial reporting for fee-for-service targeted case management services provided by counties. Requires technology systems to be modified to support any increase in the intensity of time reporting requirements prior to any implementation of proposed changes to targeted case management rate setting, reimbursement, and reconciliation processes.
- 7 **Revisor instruction.**  
Requires the revisor of statutes to renumber sections of statute related to emergency services grants and transitional housing and to make necessary cross-reference changes related to the renumbering.

## **Article 52: Human Services Response Contingency Account**

This article establishes the human services response contingency account.

**Section Description – Article 52: Human Services Response Contingency Account**

---

- 1 **Human services response contingency account.**  
Creates § 256.044.
- Subd. 1. Human services response contingency account.** Creates a human services response contingency account in the special revenue fund of the state treasury. States that money in the account does not cancel and is appropriated to the commissioner of human services for the purposes specified in this section.
- Subd. 2. Definition.** Defines “human services response” for purposes of this section.

**Section Description – Article 52: Human Services Response Contingency Account**

---

**Subd. 3. Use of money.** Allows the commissioner to make expenditures from the human services response contingency account to respond to needs related to supporting the health, welfare, or safety of people and for which no other funding or insufficient funding is available. Lists the items and activities for which the commissioner may make expenditures from the human services response contingency account. Allows the commissioner to transfer money within DHS and to the Department of Children, Youth, and Families as necessary to implement a human services response. Allows the commissioner to allocate funds from the contingency account to programs, providers, and organizations for eligible uses through one or more fiscal agents chosen by the commissioner. Requires programs, providers, and organizations receiving funds from the contingency account to describe how the funds will be used. Specifies how nonstate sources of funding are treated.

**Subd. 4. Assistance from other sources.** Requires the commissioner to seek any appropriate assistance from other available sources, including the federal government, when making expenditures from the contingency account. Requires the commissioner to reimburse the contingency account if the commissioner recovers eligible costs from a nonstate source after making expenditures from the contingency account.

**Subd. 5. Reporting.** Requires the commissioner to develop required reporting for entities receiving contingency account money and lists the information that entities receiving money from the contingency account must submit to the commissioner.

**Subd. 6. Report.** Requires the commissioner to submit a report to the legislature by March 1 of each year detailing expenditures made in the previous calendar year from the contingency account. Exempts this reporting requirement from the automatic sunset of mandated reports.

## **Article 53: Appropriations**

This article: (1) appropriates money for various human services programs related to disability services, aging services, substance use disorder services, priority admissions and civil commitment, Direct Care and Treatment, the human services response contingency account, and miscellaneous services and programs; (2) appropriates money to the commissioner of health; (3) appropriates money to the Council on Disability; (4) appropriates money to the Department of Corrections; (5) appropriates money to the Department of Employment and Economic Development; and (6) makes technical corrections to 2023 appropriations.

## **Article 54: Department of Human Services Health Care Finance**

This article contains provisions related to state health care programs. These provisions address alternative care delivery models, graduate medical education, payment rates and methods, and eligibility for Deferred Action for Childhood Arrivals (DACA) recipients.

---

### **Section Description – Article 54: Department of Human Services Health Care Finance**

---

#### **1 Alternative care delivery models for medical assistance and MinnesotaCare.**

Amends § 256.9631.

The amendment to subdivision 1, paragraph (a), requires the commissioner to develop implementation plans for at least three alternative care delivery models, rather than, as required in current law, an implementation plan for a direct payment system. The models must be alternatives to the use of commercial managed care plans and must not shift financial risk to nongovernmental entities. Changes are made throughout this section to reflect the expansion in scope of the implementation plan requirement.

The amendment to subdivision 1, paragraph (b), requires one of the alternative models to be a direct payment system. Also requires at least one additional model to include county-based purchasing plans and county-owned health maintenance organizations, and allows these entities to deliver care on a single-plan basis if they contract with all providers that agree to contract terms, and the commissioner determines that their provider network is adequate to ensure enrollee access and choice.

A new paragraph (c) requires the commissioner to consult with the chairs and ranking minority members of the legislative committees with jurisdiction over health care finance and policy before determining the alternative models for which implementation plans will be developed.

The amendment to subdivision 1, paragraph (d), eliminates certain requirements related to the direct payment system and makes conforming changes.

The amendment to subdivision 2 includes all MA enrollees as eligible individuals for purposes of the alternative models. Under current law related to the direct payment system, only MA enrollees who are families and children and adults without children are eligible. Also defines “Minnesota health care programs” as MA and MinnesotaCare.

The amendment to subdivision 3 applies many of the requirements in current law for the implementation plan for the direct payment system to the implementation plans for the alternative models. Also requires recommendations on care coordination for enrollees who are age 65 or older, blind, or have disabilities, and makes related

**Section Description – Article 54: Department of Human Services Health Care Finance**

---

changes. Eliminates the requirement that the implementation plan assess the feasibility of an MA outpatient prescription drug carve-out from managed care.

States that this section is effective the day following final enactment.

**2 Teaching hospital surcharge.**

Amends § 256.9657, by adding subd. 2a. Paragraph (a) requires teaching hospitals to pay to the medical assistance (MA) account a surcharge equal to 1.41 percent of net patient revenues for inpatient services. Requires the initial surcharge to be collected no more than 30 days before the first supplemental payments for graduate medical education are made. Requires surcharge payments to be paid annually as specified by the commissioner, and to meet all applicable federal requirements and laws.

Paragraph (b) provides that the surcharge must be used only to pay the nonfederal share of MA supplemental payments under section 256.969, subdivision 2g, and specifies related requirements.

Paragraph (c) defines “teaching hospital” as any Minnesota hospital that reports a teaching hospital designation to the Centers for Medicare and Medicaid Services (CMS) and is eligible for supplemental payment reimbursement.

Paragraph (d) exempts from the surcharge children’s hospitals, teaching hospitals with three or fewer full-time equivalent trainees, Indian Health Services facilities, and regional treatment centers.

Paragraph (e) states that the surcharge must only be assessed if the annual inpatient supplemental payments are approved by CMS.

Paragraph (f) requires the commissioner to reduce the surcharge percentage as needed so that the amount collected does not exceed the amount needed for the nonfederal share of supplemental payments.

Paragraph (g) specifies the method to be used to calculate net patient revenue for inpatient services.

Paragraph (h) requires teaching hospitals subject to the surcharge to submit to the commissioner all documentation necessary to reconcile the net patient revenue calculation.

Paragraph (i) states that this subdivision is effective the later of July 1, 2025, or 60 days after the end of the first legislative session that begins following federal approval of the surcharge and supplemental payments.

**Section Description – Article 54: Department of Human Services Health Care Finance**

---

Paragraph (j) provides that the subdivision is subject to the implementation requirements in section 9.

Paragraph (k) provides that the subdivision expires June 30, 2030, or five years after federal approval, whichever is later.

**3 Hospital payment rates.**

Amends § 256.969, subd. 2b. Provides that Medical Education and Research Costs (MERC) payments to hospitals through MA are subject to requirements that apply to MA supplemental medical education payments.

States that this subdivision is effective the later of July 1, 2025, or 60 days after the end of the first legislative session that begins following federal approval of the surcharge and supplemental payments.

**4 Annual supplemental payments for graduate medical education.**

Amends § 256.969 by adding subd. 2g. Paragraph (a) requires the commissioner and contracted managed care organizations to annually pay an inpatient supplemental payment to all eligible hospitals for graduate medical education. Requires payments to comply with federal requirements and laws.

Paragraph (b) defines “eligible hospital” as a hospital that: (1) is located in Minnesota; (2) participates in MA; (3) has received fee-for-service MA payments in the payment year; and (4) either: (i) is eligible to receive graduate medical education payments from Medicare; or (ii) is a children’s hospital.

Paragraph (c) specifies the dollar amounts per full-time equivalent to be used to calculate the annual inpatient supplemental payment, with different dollar amounts for different ranges of full-time equivalents.

Paragraph (d) specifies the data source to be used for determining full-time equivalents.

Paragraph (e) prohibits an eligible hospital from accepting MERC payments if this would result in payments in excess of eligible expenditures. Requires the surcharge and supplemental payments to be reported in the MERC application.

Paragraph (f) states the supplemental payments must not be included as public program revenue under MERC, and must be deemed permissible pass-through payments.

Paragraph (g) limits total aggregate state and federal supplemental payments to \$203 million per year. Allows the commissioner to reduce the amount paid for each

**Section Description – Article 54: Department of Human Services Health Care Finance**

---

full-time equivalent on an equal basis, to limit the cost of supplemental payments to the dollar amounts available.

Paragraph (h) states that this subdivision is effective the later of July 1, 2025, or 60 days after the end of the first legislative session that begins following federal approval of the surcharge and supplemental payments.

Paragraph (i) provides that the subdivision is subject to the implementation requirements in section 9.

Paragraph (j) provides that the subdivision expires June 30, 2030, or five years after federal approval, whichever is later.

**5 Biological products for cell and gene therapy.**

Amends § 256.969, by adding subd. 32. Paragraph (a), effective July 1, 2025, and upon necessary federal approval of documentation required to enter into a value-based arrangement, allows the commissioner to provide separate reimbursement to hospitals for biological products provided in the inpatient setting as part of cell or gene therapy to treat rare diseases, if the drug manufacturer enters into a value-based arrangement.

Paragraph (b) requires the commissioner to establish the separate reimbursement rate based on the methodology used for drugs administered in an outpatient setting.

Provides that this section is effective July 1, 2025.

**6 Payment rates.**

Amends § 256B.0625, subd. 13e, as amended. Increases the MA dispensing fee for covered outpatient drugs, certain intravenous solutions, and prescribed over-the-counter drugs that are covered outpatient drugs, from \$10.77 to \$11.55. States this section is effective October 1, 2024.

**7 Value-based purchasing arrangements.**

Amends § 256B.0625, subd. 13k. Allows the commissioner to provide separate reimbursement to hospitals for drugs provided in the inpatient hospital setting as part of a value-based purchasing arrangement. Specifies related requirements. States that this section is effective upon federal approval.

**8 Citizenship requirements.**

Amends § 256.04, subd. 10. Allows Deferred Action for Childhood Arrivals (DACA) recipients to be eligible for federally funded MinnesotaCare. (Under current law,

**Section Description – Article 54: Department of Human Services Health Care Finance**

---

these individuals are eligible for state-only funded MinnesotaCare.) Provides a November 1, 2024, effective date.

**9 Implementation of teaching hospital surcharge and graduate medical education supplemental payment.**

Paragraph (a) requires the commissioner of human services to submit to CMS a request for federal approval to implement the teaching hospital surcharge and the graduate medical education supplemental payments. Specifies requirements for public notice and public comment.

Paragraph (b) requires the commissioner to consult with representatives of eligible teaching hospitals during the design and prior to submission of the request for federal approval.

Paragraph (c) requires the commissioner to provide a 30-day public comment period if federal approval is received. If during this comment period the commissioner receives a documented, written statement of opposition from one or more eligible hospitals, requires the commissioner to publish the statement and indefinitely suspend implementation of the teaching hospital surcharge and the supplemental payments.

Paragraph (d) allows the commissioner of health, by December 15, 2024, to make recommendations to the legislature for program changes and conforming amendments to MERC, that are necessary due to the teaching hospital surcharge and supplemental payments. Requires the commissioner to consult with eligible hospitals in developing the recommendations.

States that this section is effective the day following final enactment.

**10 County-administered rural medical assistance model.**

**Subd. 1. Model development.** Paragraph (a) requires the commissioner of human services, in collaboration with the Association of Minnesota Counties and county-based purchasing plans, to develop a county-administered rural medical assistance (CARMA) model and a detailed implementation plan.

Paragraph (b) requires the CARMA model to be designed to:

- 1) provide a county-owned and administered alternative to the prepaid medical assistance program;
- 2) facilitate greater integration of health care and social services to address social determinants of health in rural communities, with the degree of integration varying by county needs and resources;

**Section Description – Article 54: Department of Human Services Health Care Finance**

---

- 3) account for the smaller number of MA enrollees and locally available providers in rural communities; and
- 4) promote greater accountability for health outcomes, health equity, customer service, community outreach, and cost of care.

**Subd. 2. County participation.** Requires the model to give each rural county the option of participating, and to include a process for the commissioner to determine whether and how a county can participate.

**Subd. 3. Report to legislature.** Paragraph (a) requires the commissioner to report recommendations and an implementation plan for the CARMA model to the legislature by January 15, 2025. Requires the model and recommendations to address the issues and consider the recommendations made by a mediation panel and provided to the commissioner, that were not contingent on the outcomes of recent litigation between county-based purchasing plans and the Department of Human Services.

Paragraph (b) requires the report to identify the clarifications, approvals, and waivers needed from the Centers for Medicare and Medicaid Services, and to include any draft legislation necessary to implement the CARMA model.

## **Article 55: Department of Human Services Health Care Policy**

This article makes policy changes related to the administration of Department of Human Services (DHS) health care programs. The article contains provisions that address utilization review, collection of overpayments, agency reporting requirements, payment rates, eligibility procedures, covered services, and claim recovery.

**Section Description – Article 55: Department of Human Services Health Care Policy**

---

**1 Scope.**

Amends § 62M.01, subd. 3. Provides that effective January 1, 2026, chapter 62M, which governs utilization review of health care, applies to managed care plans and county-based purchasing plans covering medical assistance (MA) or MinnesotaCare enrollees, and that the specified sections in chapter 62M apply to services delivered under chapters 256B and 256L. (Current law provides that chapter 62M does not apply to managed care plans and county-based purchasing plans covering medical assistance or MinnesotaCare enrollees.)



**Section Description – Article 55: Department of Human Services Health Care Policy**

---

- 2      **Qualifying overpayment.**  
Amends § 256.0471, subd. 1, as amended. Limits the collection of overpayments to recipients of state-funded MA and state-funded MinnesotaCare, to benefits received during a period of appeal, in which the appeal is not successful. Provides a July 1, 2024, effective date.
- 3      **Commissioner’s duties.**  
Amends § 256.9657, subd. 8. Eliminates the requirement that the commissioner report annually to the legislature on the provider surcharge program.
- 4      **Alternate inpatient payment rate for a discharge.**  
Amends § 256.969, by adding subd. 2h. Paragraph (a) provides an alternate inpatient hospital payment rate for a children’s hospital. The alternate rate is retroactive from January 1, 2024, and applies to any rate year in which a discharge of a patient who had resided in the hospital for over 20 years is included in the federally required disproportionate share hospital (DSH) payment audit. The alternate rate is the standard rate, excluding any DSH payment, increased by 99 percent of what the DSH payment would have been had the discharge been excluded.  
  
Paragraph (b) provides that in any rate year in which the alternate payment rate is effective, no payments shall be made to the hospital under paragraphs 2e and 2f (alternative payment rates in current law) and 9 (DSH payment rates).  
  
States that this section is effective upon federal approval.
- 5      **Income and assets generally.**  
Amends § 256B.056, subd. 1a. Prohibits state tax credits, rebates, and refunds from being counted as income, for purposes of MA eligibility determinations for persons who are blind, have disabilities, or are age 65 or older. States that this section is effective the day following final enactment.
- 6      **Eligibility verification.**  
Amends § 256B.056, subd. 10. Allows the commissioner to obtain information from financial institutions to verify assets, for determining MA eligibility for persons who are blind, have disabilities, or are age 65 and older, and for other persons subject to an asset limit. Under current law, this is allowed just to identify unreported assets.
- 7      **Medical assistance payment for assertive community treatment and intensive residential treatment services.**  
Amends § 256B.0622, subd. 8. Changes the calendar quarter (from the fourth to the third) used to adjust rates based on the Medicare Economic Index, for assertive

**Section Description – Article 55: Department of Human Services Health Care Policy**

---

- community treatment, adult residential crisis stabilization services, and intensive residential treatment services.
- 8      **Dental services.**  
Amends § 256B.0625, subd. 9. Corrects a cross-reference to dental services covered under MA. States that this section is effective the day following final enactment.
- 9      **Payment rates.**  
Amends § 256B.0625, subd. 13e, as amended. For purposes of setting MA prescription drug payment rates, excludes, from the usual and customary price, prices charged under prescription savings or discount clubs in which the individual pays a recurring monthly access fee and other criteria are met.
- 10     **Applicability of utilization review provisions.**  
Amends § 256B.0625, by adding subd. 25c. Effective January 1, 2026, provides that statutes on the following apply to the commissioner of human services when delivering services through fee-for-service under chapters 256B and 256L: certain definitions in chapter 62M; standards for the performance of utilization reviews; procedures for standard and expedited reviews of utilization review requests; procedures for appeals of adverse determinations; requirements for prior authorizations; use of evidence-based standards; staff qualifications and program requirements for utilization review organizations; review procedures; prohibition on inappropriate incentives; continuity of care in cases of changes in prior authorization clinical criteria; and public posting of certain prior authorization statistics.
- 11     **Recuperative care facility rate.**  
Amends § 256B.0701, subd. 6. Updates a reference to the MA room and board rate, to refer to the Minnesota Supplemental Aid equivalent rate, in a section of law setting the payment rate for the MA recuperative care facility rate.
- 12     **Medical assistance payment and rate setting.**  
Amends § 256B.0947, subd. 7. Changes the calendar quarter (from the fourth to the third) used to adjust rates based on the Medicare Economic Index, for rehabilitative and other specified services.
- 13     **Reimbursement for family planning services.**  
Amends § 256B.764. Limits the 20 percent rate increase for family planning to those services when provided by an eligible community clinic.
- 14     **Covered health services.**  
Amends § 256L.03, subd. 1. Clarifies that MinnesotaCare adult dental services and orthodontic services are covered as they are under MA. (This is done by striking

**Section Description – Article 55: Department of Human Services Health Care Policy**

---

language that exempts these services from the general provision that MinnesotaCare covers services that are reimbursed under MA.)

**15 Notice to creditors.**

Amends § 524.3-801, as amended. Allows the commissioner and the executive board to receive electronic notices related to the death of recipients who received assistance for which a claim for recovery can be filed.

**16 Direction to commissioner; reimbursement for extracorporeal membrane oxygenation cannulation as an outpatient service.**

Requires the commissioner of human services, in consultation with providers and hospitals, to determine the feasibility of an outpatient reimbursement mechanism for MA coverage of extracorporeal membrane oxygenation cannulation. Requires a report to the legislature by January 15, 2025.

## **Article 56: Health Care**

This article contains provisions related to MNsure reporting requirements and state insulin assistance programs.

**Section Description – Article 56: Health Care**

---

**1 Reports on interagency agreements and intra-agency transfers.**

Amends § 62V05, subd. 12. Requires the MNsure board to submit reports to the legislature on interagency agreements and intra-agency transfers annually according to section 15.0395 (the general reporting provisions that apply to state agencies generally). Strikes language in this subdivision that requires the board to report, on a quarterly basis, information similar to that required by section 15.0395. States that the section is effective the day following final enactment.

**2 Reports.**

Amends § 62V.08. Changes from January 15 to March 31 the reporting date for an annual MNsure report to the legislature on MNsure performance, responsibilities, budget activities, compliance with data practice laws, and outreach and implementation.

**3 Review of costs.**

Amends § 62V.11, subd. 4. Changes from March 15 to March 31 of each year the date by which the MNsure board must submit its annual budget for the next fiscal year, to the Legislative Oversight Committee.

**Section Description – Article 56: Health Care**

---

**4 Access to urgent need insulin.**

Amends § 151.74, subd. 3. Allows manufacturers to submit to the commissioner of administration a request for reimbursement in an amount not to exceed \$35, for each 30-day supply of insulin provided under the urgent-need insulin program, and requires the commissioner to reimburse the manufacturer. States that this section is effective December 1, 2024.

**5 Continuing safety net program; process.**

Amends § 151.74, subd. 6. Allows manufacturers to submit to the commissioner of administration a request for reimbursement in an amount not to exceed \$105, for each 90-day supply of insulin provided under the continuing safety net program, and requires the commissioner to reimburse the manufacturer. If the manufacturer provides less than a 90-day supply, allows the manufacturer to submit a request for reimbursement not to exceed \$35 for each 30-day supply provided. States that this section is effective December 1, 2024.

**6 Insulin manufacturer registration fee.**

Adds § 151.741.

**Subd. 1. Definitions.** Defines “board” and “manufacturer.”

**Subd. 2. Assessment of registration fee.** Paragraph (a) requires the Board of Pharmacy to assess each insulin manufacturer an annual registration fee of \$100,000, except as provided in paragraph (b), and to notify each manufacturer of this requirement by beginning November 1, 2024, and each November 1 thereafter.

Paragraph (b) allows manufacturers with annual insulin sales that constitute less than a five percent market share in the state in the previous calendar year to request and obtain exemptions from the annual registration fee.

**Subd. 3. Payment of registration fee; deposit of fee.** Paragraph (a) requires manufacturers to pay the registration by March 1, 2025, and by each March 1 thereafter. Also specifies related requirements and allows the board to assess late fees.

Paragraph (b) requires the registration fee, and any late fees, to be deposited into the insulin safety net program account.

**Subd. 4. Insulin safety net program account.** Establishes the insulin safety net program account in the special revenue fund. Appropriates money from the account each fiscal year to the MNsure board to carry out assigned duties related

**Section Description – Article 56: Health Care**

---

to the insulin program, and to the Board of Pharmacy to cover costs of collecting the registration fee and administering the insulin safety net program.

**Subd. 5. Insulin repayment account; annual transfer from the health care access fund.** Paragraph (a) establishes the insulin repayment account in the special revenue fund. Appropriates money in the account each fiscal year to the commissioner of administration to reimburse manufacturers for insulin dispensed under the insulin safety net program, and to cover costs incurred by the commissioner in providing this reimbursement.

Paragraph (b) requires the commissioner of administration, by June 30, 2025, and each June 30 thereafter, to certify to the commissioner of management and budget the total amount expended in the prior fiscal year for reimbursing manufacturers for insulin dispensed and for administrative costs incurred by the commissioner of administration.

Paragraph (c) requires the commissioner of management and budget to transfer from the health care access fund to the insulin repayment account, beginning July 1, 2025, and each July 1 thereafter, an amount equal to that certified by the commissioner under paragraph (b).

**Subd. 6. Contingent transfer by commissioner.** Provides that if subdivisions 2 and 3 (assessment and payment of registration fee) are held to be invalid by a court, this invalidity does not affect other provisions of the act and the commissioner of management and budget shall transfer from the health care access fund to the insulin safety net program an amount sufficient to implement subdivision 4.

States that this section is effective July 1, 2024.

**7 Appropriations.**

Amends Laws 2020, chapter 73, section 8. Extends, through June 30, 2027, the availability of a prior year appropriation to MNSure for navigator training and compensation related to the insulin safety net program and allows the funding to be used for the insulin safety net program generally.

**8 Repealer; sunset for the long-term safety net insulin program.**

Repeals § 151.74, subdivision 16, effective the day following final enactment. The provision repealed provides a December 31, 2024, sunset date for the long-term safety net insulin program, and requires the legislature to make a determination on whether this program should continue beyond the sunset date.

## Article 57: Health Insurance

This article requires or modifies health plan and medical assistance coverage for certain health treatments and services. It also modifies requirements for utilization review and prior authorization of health care services; prohibits for-profit health maintenance organizations (HMOs) from participating in the State Employee Group Insurance Program, medical assistance, or MinnesotaCare; authorizes the commissioner of health to oversee certain health maintenance organization transactions; provides for review of nonprofit health coverage entity conversion transactions; requires essential community providers to be included in health plan company provider networks; provides exemptions and accommodations for organizations with religious objections to certain coverage requirements; and modifies other provisions.

### Section Description – Article 57: Health Insurance

---

**1 For-profit health maintenance organizations prohibited.**

Adds subd. 4 to § 43A.24. Provides a health maintenance organization that is not a nonprofit organization organized under chapter 317A or a local governmental unit cannot participate in the State Employee Group Insurance Program.

Effective date: This section is effective January 1, 2025.

**2 Maternity care.**

Amends § 62A.0411. If a provider recommends a new mother or a newborn is transferred from one medical facility to another for care, requires a health plan to cover care for the new mother, the newborn, and any newborn siblings at both facilities and to cover the cost of transferring the new mother, the newborn, and newborn siblings from one medical facility to another. Requires this coverage to be provided without cost sharing and to be provided without any limitation that does not apply to other coverages under the plan.

Effective date: This section is effective January 1, 2025, and applies to policies, plans, certificates, and contracts offered, issued, or renewed on or after that date.

**3 Pharmacist.**

Adds subd. 3d to § 62A.15. Requires a health policy or contract that covers medical treatment or services provided by a physician to also cover these services when provided by a pharmacist, to the extent these services are within the pharmacist's scope of practice.

Effective date: This section is effective January 1, 2025, and applies to policies or contracts offered, issued, or renewed on or after that date.

**Section Description – Article 57: Health Insurance**

---

**4 Denial of benefits.**

Amends § 62A.15, subd. 4. Adds pharmacists to the health professionals to whom a health carrier is prohibited from denying payment, for services covered under the policy or contract.

Effective date: This section is effective January 1, 2025, and applies to policies or contracts offered, issued, or renewed on or after that date.

**5 Required coverage.**

Amends § 62A.28, subd. 2. Expands health plan coverage of scalp hair prostheses to require coverage in cases of hair loss due to a health condition, rather than limiting coverage to cases of hair loss due to alopecia areata as in current law. Also requires coverage for equipment and accessories for regular use of scalp hair prostheses, and limits coverage to \$1,000 per benefit year.

Effective date: This section is effective January 1, 2025, and applies to policies, plans, certificates, and contracts offered, issued, or renewed on or after that date.

**6 Rapid whole genome sequencing; coverage.**

Adds § 62A.3098. Requires a health plan to cover rapid whole genome sequencing testing if the enrollee is age 21 or younger; has a complex or acute illness with an unknown underlying cause not confirmed to have been caused by environmental exposure, toxic ingestion, infection with a normal response to therapy, or trauma; and is receiving inpatient services in an intensive care unit or neonatal or high acuity pediatric unit. Lists medical necessity criteria on which coverage may be based. Provides coverage under this section is subject to the health plan's cost sharing requirements, and specifies payment if the enrollee's health plan uses a capitated or bundled payment arrangement. Provides genetic data generated as a result of rapid whole genome sequencing is protected health information and a protected health record. Requires the commissioner of commerce to reimburse health carriers for coverage that would not have been provided without the requirements of this section, and annually appropriates money to the commissioner of commerce for these payments.

Effective date: This section is effective January 1, 2025, and applies to health plans offered, issued, or sold on or after that date.

**7 Coverage of service; prior authorization.**

Adds § 62A.59. Prohibits a health carrier from:

- retrospectively denying or limiting coverage of a service for which prior authorization was not required, unless there is evidence the service was provided based on fraud or misinformation; and

**Section Description – Article 57: Health Insurance**

---

- denying or limiting coverage of a service the enrollee already received on the basis of lack of prior authorization, if the service would have been covered if prior authorization had been obtained.

Effective date: This section is effective January 1, 2026, and applies to health plans offered, sold, issued, or renewed on or after that date.

**8 Application of other law.**

Adds § 62C.045. Provides sections 145D.30 to 145D.37 apply to service plan corporations operating under chapter 62C.

**9 Comprehensive health maintenance services.**

Amends § 62D.02, subd. 7. In the definition of comprehensive health maintenance services for chapter 62D, strikes language providing a health maintenance organization is not required to provide elective, induced abortions, other than those that are medically necessary to prevent the death of the mother.

Effective date: This section is effective January 1, 2025, and applies to health plans offered, sold, issued, or renewed on or after that date.

**10 Participation; government programs.**

Amends § 62D.04, subd. 5. Limits the requirement that health maintenance organizations must participate in the medical assistance and MinnesotaCare programs as a condition of receiving and retaining a certificate of authority to health maintenance organizations that are nonprofits and organized under chapter 317A or are a local governmental unit.

Effective date: This section is effective January 1, 2025.

**11 Coverage of licensed pharmacist services.**

Adds § 62D.1071. Provides a health maintenance contract that covers medical treatment or services provided by a physician must also cover those treatments or services provided by a pharmacist, to the extent those treatments or services are within the pharmacist's scope of practice. Prohibits an HMO from denying payment for covered medical services if the services are lawfully performed by a pharmacist. Provides this section does not apply to certain coverages for medication therapy management services or to managed care organizations or county-based purchasing plans covering medical assistance or MinnesotaCare enrollees.

Effective date: This section is effective January 1, 2025, and applies to health plans offered, issued, or renewed on or after that date.



**Section Description – Article 57: Health Insurance**

---

**12 Coverage of service.**

Amends § 62D.12, subd. 19. Provides this subdivision expires December 31, 2025, for health plans offered, sold, issued, or renewed on or after that date. (This subdivision prohibits a health maintenance organization from denying or limiting coverage already received solely based on lack of prior authorization or second opinion, if the service would have been covered had the prior authorization or second opinion been obtained. This subdivision is being replaced by section 62A.59, subd. 2.)

**13 Rulemaking.**

Amends § 62D.20, subd. 1. In a subdivision authorizing the commissioner of health to adopt rules governing health maintenance organizations, strikes language prohibiting the commissioner from adopting rules to require a health maintenance organization to provide elective, induced abortions, other than those that are medically necessary to prevent the death of the mother.

Effective date: This section is effective January 1, 2025, and applies to health plans offered, sold, issued, or renewed on or after that date.

**14 Other state law.**

Amends § 62D.22, subd. 5. Strikes language providing health maintenance organizations must comply with state law that eliminates elective, induced abortions from health or maternity benefits.

Effective date: This section is effective January 1, 2025, and applies to health plans offered, sold, issued, or renewed on or after that date.

**15 Application of other law.**

Adds subd. 5a to § 62D.22. Provides sections 145D.30 to 145D.37 apply to nonprofit health maintenance organizations operating under chapter 62D.

**16 Oversight of transactions.**

Adds § 62D.221.

**Subd. 1. Insurance provisions applicable to health maintenance organizations.**

Makes health maintenance organizations subject to the following sections that currently apply to insurers, and requires HMOs to comply with those sections: sections 60A.135, 60A.136, 60A.137 (requiring reports of material acquisitions and dispositions of assets and revisions of ceded reinsurance agreements); 60A.16, 60A.161 (mergers and consolidations, insurer domestication and conversion); 60D.17 (filing requirements when acquiring control or merging with a domestic insurer); 60D.18 (requirements for other acquisitions, including preacquisition notification and a waiting period); 60D.20 (standards and

**Section Description – Article 57: Health Insurance**

---

management of an insurer within a holding company system). Also requires HMOs to comply with certain requirements in Minnesota Rules, chapter 2720.

**Subd. 2. Statement.** Prohibits a person other than the issuer from acquiring all or substantially all of the assets of a domestic nonprofit HMO unless the person has filed with the commissioner of health the information required under section 60D.17 and the acquisition has been approved by the commissioner.

**17 Adverse determination.**

Amends § 62M.02, subd. 1a. Amends the definition of adverse determination in chapter 62M to provide adverse determination includes an authorization for a health care service that is less intensive than the health care service specified in the original authorization request.

Effective date: This section is effective the day following final enactment.

**18 Authorization.**

Amends § 62M.02, subd. 5. Amends the definition of authorization in chapter 62M to conform with the application of certain sections in chapter 62M to services delivered through fee-for-service under chapters 256B and 256L, and corrects a term used.

**19 Commissioner.**

Adds subd. 8a to § 62M.02. Effective January 1, 2026, defines commissioner as the commissioner of human services for the sections in chapter 62M that apply to services delivered through fee-for-service under chapters 256B and 256L.

**20 Enrollee.**

Amends § 62M.02, subd. 11. Effective January 1, 2026, amends the definition of enrollee in chapter 62M to conform with the application of certain sections in chapter 62M to services delivered through fee-for-service under chapters 256B and 256L.

**21 Health benefit plan.**

Amends § 62M.02, subd. 12. Effective January 1, 2026, amends the definition of health benefit plan in chapter 62M to conform with the application of certain sections in chapter 62M to services delivered through fee-for-service under chapters 256B and 256L.

**22 Utilization review organization.**

Amends § 62M.02, subd. 21. Effective January 1, 2026, amends the definition of utilization review organization in chapter 62M to conform with the application of

**Section Description – Article 57: Health Insurance**

---

certain sections in chapter 62M to services delivered through fee-for-service under chapters 256B and 256L.

**23 Responsibility for obtaining authorization.**

Amends § 62M.04, subd. 1. Effective January 1, 2026, requires the commissioner of human services to provide fee-for-service recipients under chapters 256B and 256L with a description of the process for obtaining authorization for health care services (this change is to conform with the application of certain sections in chapter 62M to services delivered through fee-for-service under chapters 256B and 256L). Also corrects a term.

**24 Standard review determination.**

Amends § 62M.05, subd. 3a. Strikes obsolete language from a paragraph establishing timelines for communicating standard review determinations on requests for utilization review to providers and enrollees.

Effective date: This section is effective the day following final enactment.

**25 Prior authorization of certain services prohibited.**

Amends § 62M.07, subd. 2. Current law prohibits prior authorization from being conducted or required for emergency confinement or an emergency service. This section adds the following to the services for which prior authorization cannot be conducted or required:

- outpatient mental health treatment or outpatient substance use disorder treatment, except for medications. Prior authorization for medications used for outpatient mental health treatment or outpatient substance use disorder treatment must be processed according to the timelines for expedited review and expedited appeals;
- antineoplastic cancer treatment consistent with guidelines of the National Comprehensive Cancer Network, except for medications. Prior authorization for medications used for antineoplastic cancer treatment must be processed according to the timelines for expedited review and expedited appeals;
- certain preventive services, immunizations, and screenings;
- pediatric hospice services provided by a licensed hospice provider; and
- treatment provided by a neonatal abstinence program.

Provides clauses (2) to (6) are effective January 1, 2026, and apply to health benefit plans offered, sold, issued, or renewed on or after that date.

**Section Description – Article 57: Health Insurance**

---

- 26      **Submission of prior authorization requests.**  
Amends § 62M.07, subd. 4. Effective January 1, 2027, requires utilization review organizations, health plan companies, and claims administrators to have a prior authorization application programming interface (API) that automates the prior authorization process for health care services, excluding prescription drugs and medications. Specifies requirements the API must meet, and specifies prior authorization requests for prescription drugs and medications must comply with requirements in state law for electronic prescribing.
- 27      **Treatment of a chronic condition.**  
Adds subd. 5 to § 62M.07. Provides an authorization for treatment of a chronic health condition does not expire unless the treatment standard for that chronic condition changes. Defines a chronic condition as a condition that is expected to last for one year or longer and that either requires ongoing medical attention or limits one or more activities of daily living. Provides this subdivision is effective January 1, 2026, and applies to health benefit plans offered, sold, issued, or renewed on or after that date.
- 28      **Availability of criteria.**  
Amends § 62M.10, subd. 7. Effective January 1, 2026, requires the commissioner of human services to post on the department’s public website the prior authorization requirements and restrictions that apply to prior authorization determinations for fee-for-service under chapters 256B and 256L (this change is to conform with the application of certain sections in chapter 62M to services delivered through fee-for-service under chapters 256B and 256L).
- 29      **Notice; new prior authorization requirements or restrictions; change to existing requirement or restriction.**  
Amends § 62M.10, subd. 8. Effective January 1, 2026, requires the commissioner of human services to provide written or electronic notice of a new or amended prior authorization requirement or restriction, at least 45 days before the new or amended requirement or restriction takes effect, to health care professionals who are fee-for-service providers under chapters 256B and 256L (this change is to conform with the application of certain sections in chapter 62M to services delivered through fee-for-service under chapters 256B and 256L).
- 30      **Effect of change in prior authorization clinical criteria.**  
Amends § 62M.17, subd. 2. Under current law, a utilization review organization’s change to coverage of a health care service or to the clinical criteria used for prior authorizations does not apply until the next plan year, for enrollees who received prior authorization for that service using the prior coverage terms or clinical criteria. This general rule does not apply if the utilization review organization changed

**Section Description – Article 57: Health Insurance**

---

coverage terms or the clinical criteria when an independent source recommended the change for reasons related to patient harm. A new paragraph (d) specifies the patient harm must be previously unknown and imminent for the exception to apply; paragraph (d) is effective January 1, 2026, and applies to health benefit plans offered, sold, issued, or renewed on or after that date.

**31 Annual report to commissioner of health; prior authorizations.**

Adds § 62M.19. By September 1 each year, requires utilization review organizations to report to the commissioner of health, information on prior authorization requests for the previous calendar year. Lists data the reports must include.

**32 Prohibited application questions.**

Adds subd. 3 to § 62Q.097. Prohibits an application for provider credentialing with a health plan company from requiring the provider to disclose past health conditions, current health conditions being treated so they do not affect the provider's ability to practice, or health conditions that would not affect the provider's ability to practice.

Effective date: This section is effective for applications submitted on or after January 1, 2025.

**33 Restrictions on enrollee services.**

Amends § 62Q.14. Strikes language allowing health plan companies to restrict enrollee choice regarding where enrollees receive abortion services.

Effective date: This section is effective January 1, 2025, and applies to health plans offered, sold, issued, or renewed on or after that date.

**34 Health plan company affiliation.**

Amends § 62Q.19, subd. 3. Requires a health plan company to offer a contract to all essential community providers located within the area served by the health plan company, and to include all essential community providers that accept a contract in each of the company's provider networks.

Effective date: This section is effective January 1, 2025, and applies to health plans offered, issued, or renewed on or after that date.

**35 Contract payment rates; private.**

Adds subd. 4a to § 62Q.19. Allows an essential community provider and health plan company to negotiate a payment rate for covered services provided by the essential community provider. Requires the rate to be at least the same rate per unit of service as paid by that health plan company to the essential community provider under the provider contract with the highest number of enrollees from the provider, or, if there is no contract between the health plan company and essential community provider,

**Section Description – Article 57: Health Insurance**

---

requires the rate to be at least the same rate per unit of service as is paid to other plan providers for the same or similar services. This subdivision applies to provider contracts for individual, small employer, and large group health plans.

**36 Contract payment rates; public.**

Amends § 62Q.19, subd. 5. Specifies that an existing subdivision on contract payment rates between health plan companies and essential community providers applies to provider contracts for health plans offered through the State Employee Group Insurance Program, medical assistance, and MinnesotaCare. (The existing subdivision requires the rate between a health plan company and essential community provider to be at least the same rate per unit of service as is paid to other health plan providers for the same or similar service.)

**37 Reimbursement.**

Adds subd. 3 to § 62Q.473. Amends a section establishing requirements for health plan coverage of biomarker testing, to require the commissioner of commerce to reimburse health plan companies for coverage of biomarker testing that would not have been provided without this section requiring coverage.

Effective date: This section is effective January 1, 2025, and applies to health plans offered, issued, or renewed on or after that date.

**38 Appropriation.**

Adds subd. 4 to § 62Q.473. Annually appropriates to the commissioner of commerce an amount necessary to make payments to health plan companies to defray the cost of providing coverage for biomarker testing.

Effective date: This section is effective January 1, 2025, and applies to health plans offered, issued, or renewed on or after that date.

**39 Coverage of abortions and abortion-related services.**

Adds § 62Q.524. Establishes requirements for health plan coverage of abortions and abortion-related services.

**Subd. 1. Definition.** Defines abortion for this section.

**Subd. 2. Required coverage; cost-sharing.** Requires a health plan to cover abortions and abortion-related services, including preabortion services and follow-up services. Prohibits cost-sharing for coverage of abortions and abortion-related services in an amount that is greater than the cost-sharing that applies to similar services covered under the health plan. Prohibits a health plan from

**Section Description – Article 57: Health Insurance**

---

imposing limitations on the coverage of abortions and abortion-related services that are not generally applicable to other coverages under the health plan.

**Subd. 3. Exclusion.** Provides this section does not apply to managed care organizations or county-based purchasing plans when the plan provides coverage to public health care program enrollees under medical assistance or MinnesotaCare.

**Subd. 4. Reimbursement.** Requires the commissioner of commerce to reimburse health plan companies for coverage under this section that would not have been provided without the requirements of this section.

**Subd. 5. Appropriation.** Annually appropriates to the commissioner of commerce an amount needed to make defrayal payments to health plan companies for the cost of providing coverage for abortions and abortion-related services.

Effective date: This section is effective January 1, 2025, and applies to health plans offered, sold, issued, or renewed on or after that date.

**40 Amino acid-based formula coverage.**

Adds § 62Q.525. Requires health plan companies to provide coverage for amino acid-based elemental formula for conditions for which the formula is medically necessary. Specifies conditions for which formula is medically necessary include but are not limited to the listed conditions.

Effective date: This section is effective January 1, 2025, and applies to health plans offered, issued, or sold on or after that date.

**41 Coverage for orthotic and prosthetic devices.**

Adds § 62Q.665. Requires a health plan to provide coverage for orthotic and prosthetic devices, supplies, and services, including repair and replacement, at least equal to the coverage provided under Medicare, to the extent consistent with this section. Prohibits a health plan from applying separate financial requirements to orthotic and prosthetic benefits and allows application of co-payments and coinsurance. Allows a health plan to limit benefits for out-of-network coverage, but prohibits the benefits from being more restrictive than the requirements for other out-of-network coverage. Requires coverage of the most appropriate model of orthotics and prosthetics determined by the enrollee's provider, and allows a health plan to require prior authorization for orthotic and prosthetic devices, supplies, and services. Requires the commissioner of commerce to reimburse health plan companies for coverage of orthotics and prosthetics that would not have been provided without the requirements of this section. Annually appropriates to the commissioner of commerce an amount necessary to make payments to health plan

**Section Description – Article 57: Health Insurance**

---

companies to defray the cost of providing coverage for orthotic and prosthetic devices, supplies, and services.

Effective date: This section is effective January 1, 2025, and applies to health plans offered, issued, or renewed on or after that date.

**42 Medical necessity and nondiscrimination standards for coverage of prosthetics or orthotics.**

Adds § 62Q.6651. Sets requirements related to coverage and nondiscrimination standards for prosthetic or orthotic benefits. Requires a health plan company to apply the most recent version of evidence-based treatment and fit criteria when performing a utilization review, and to render utilization review determinations in a nondiscriminatory manner. Prohibits denial of a prosthetic or orthotic benefit for an individual with limb loss or absence, if it would otherwise be covered for a nondisabled person as part of medical or surgical intervention. Requires evidence of coverage and benefit denial letters to include language on enrollee rights. Requires a health plan to ensure access to medically necessary clinical care and to devices and technology from not less than two in-network prosthetic and orthotic providers located in Minnesota. Specifies requirements related to out-of-network coverage and for replacement of devices. Permits a health plan company to require confirmation from a prescribing provider if the device or part being replaced is less than three years old.

Effective date: This section is effective January 1, 2025, and applies to health plans offered, issued, or renewed on or after that date.

**43 Intermittent catheters.**

Adds § 62Q.666. Requires health plan coverage for intermittent urinary catheters and insertion supplies if recommended by the enrollee’s provider. Requires coverage for at least 180 intermittent catheters per month, unless a lesser amount is prescribed by the enrollee’s provider, and permits a health plan providing coverage under medical assistance to be required to cover more than 180 intermittent catheters per month. Prohibits cost-sharing that is not otherwise applied to durable medical equipment.

Effective date: This section is effective January 1, 2025, and applies to health plans issued or renewed on or after that date.

**44 Religious objections.**

Adds § 62Q.679. Establishes exceptions to and accommodations for coverage of contraceptives, abortions and abortion-related services, and gender-affirming care for organizations with religious objections to covering these services. These exceptions and accommodations exist in current law for coverage of contraceptives



**Section Description – Article 57: Health Insurance**

---

and are being modified to also apply to coverage of abortions and abortion-related services and gender-affirming care.

Effective date: This section is effective January 1, 2025, and applies to health plans offered, sold, issued, or renewed on or after that date.

**45 Exception.**

Amends § 62Q.73, subd. 2. Effective January 1, 2026, excludes the medical assistance fee-for-service program from a section authorizing independent external reviews of adverse determinations related to health care claims or whether a health care service is medically necessary.

**46 Definitions.**

Amends § 145D.01, subd. 1. Provides the definitions in this subdivision apply only to this section and section 145D.02, and not to all of chapter 145D. (This change is to conform with sections being added to this chapter to which other definitions apply.)

Effective date: This section is effective July 1, 2025.

**47 Definitions.**

Adds § 145D.30. Defines terms for sections governing nonprofit health coverage entity conversion transactions: commissioner, control, conversion transaction, corporation, director, family member, full and fair value, nonprofit health coverage entity, officer, public benefit assets, and related organization.

Effective date: This section is effective July 1, 2025.

**48 Certain conversion transactions prohibited.**

Adds § 145D.31. Prohibits a nonprofit health coverage entity from entering into a conversion transaction if:

- doing so would result in less than full and fair value of all public benefit assets remaining dedicated to the public benefit; or
- an individual who has been an executive of the nonprofit health coverage entity or of a related organization, or a family member, has a financial interest in the entity to which public benefit assets are transferred, or in an entity with a business relationship with the entity to which public benefit assets are transferred; or receives financial benefit from the entity to which public benefit assets are transferred, or from an entity with a business relationship with the entity to which public benefit assets are transferred.

**Section Description – Article 57: Health Insurance**

---

Effective date: This section is effective July 1, 2025.

**49 Requirements for nonprofit health coverage entity conversion transactions.**

Adds § 145D.32. Establishes requirements for nonprofit health coverage entity conversion transactions, including notice and a waiting period.

**Subd. 1. Notice.** Before entering into a conversion transaction, requires a nonprofit health coverage entity to notify the attorney general and include the listed information in the notice. Also requires the entity to provide the notice to the commissioner of health or commissioner of commerce, as applicable.

**Subd. 2. Nonprofit health coverage entity requirements.** Before entering into a conversion transaction, requires the nonprofit health coverage entity to ensure:

- the transaction complies with chapters 317A and 501B;
- the transaction does not involve or constitute a breach of charitable trust;
- the entity will receive full and fair value for its public benefit assets;
- the value of the assets to be transferred has not been manipulated in a way to cause the value of the assets to decrease;
- the proceeds of the transaction will be used in a manner that is consistent with the public benefit for which the assets are held by the nonprofit health coverage entity; and
- the transaction will not result in a breach of fiduciary duty.

**Subd. 3. Listening sessions and public comment.** Allows the attorney general or commissioner to hold public listening sessions and solicit public comments regarding the proposed conversion transaction.

**Subd. 4. Waiting period.** Prohibits a nonprofit health coverage entity from entering into a conversion transaction until 60 days after the entity provided notice as required under subdivision 1. Allows the attorney general to waive all or part of the waiting period or extend the waiting period for an additional 60 days by notifying the nonprofit health coverage entity. Suspends these time periods while an investigation into the transaction is pending or while a request for additional information is outstanding.

**Subd. 5. Funds restricted for a particular purpose.** Requires a nonprofit health coverage entity to comply with requirements for funds that are restricted for a particular purpose.

Effective date: This section is effective July 1, 2025.

**Section Description – Article 57: Health Insurance**

---

**50 Enforcement and remedies.**

Adds § 145D.34. Authorizes the attorney general to investigate and enforce provisions governing nonprofit health coverage entity conversion transactions.

**Subd. 1. Investigation.** Provides the attorney general has the powers in section 8.31, and that this subdivision does not limit the powers of the attorney general under other law. States an approval by the commissioner for regulatory purposes does not impair or inform the attorney general’s authority.

**Subd. 2. Enforcement and penalties.** Allows the attorney general to bring an action to enjoin or unwind a conversion transaction or seek other equitable relief to protect the public interest, if the nonprofit health coverage entity or conversion transaction violates sections 145D.30 to 145D.32 or the conversion transaction is contrary to the public interest or if the entities involved in the conversion transaction fail to provide timely information to the attorney general or commissioner. Lists factors informing whether a conversion transaction is contrary to the public interest. Establishes civil penalties for an officer, director, or other executive found to have violated sections 145D.30 to 145D.32, and for an entity that is a party to or materially participated in a conversion transaction found to have violated sections 145D.30 to 145D.32. Allows a court to award reasonable attorney fees and costs.

**Subd. 3. Commissioner of health; data and research.** Requires the commissioner of health to provide the attorney general, upon request, with data and research on market trends, impacts on prices and outcomes, public health and population health considerations, and health care access, to be used to evaluate whether a conversion transaction is contrary to the public interest.

**Subd. 4. Failure to take action.** Provides failure by the attorney general to take action under this section does not constitute approval of the conversion transaction or waiver, and does not prevent the attorney general from taking action in similar circumstances in the future.

Effective date: This section is effective July 1, 2025.

**51 Data practices.**

Adds § 145D.35. Classifies data on individuals provided to the commissioner or attorney general under sections 145D.30 to 145D.32 as confidential data on individuals, and classifies data not on individuals provided to the commissioner or attorney general under these sections as protected nonpublic data. Specifies the provided data are not subject to subpoena or discoverable or admissible into evidence in private civil actions. Allows the attorney general or commissioner to

**Section Description – Article 57: Health Insurance**

---

provide a law enforcement agency with access to the data if the access would aid the law enforcement process.

Effective date: This section is effective July 1, 2025.

**52 Commissioner of health; reports and analysis.**

Adds § 145D.36. Allows the commissioner of health to use certain data and information to analyze the aggregate impact of nonprofit health care entity transactions on health care access, quality, and costs, and on health care market consolidation. Requires the commissioner of health to issue periodic public reports on the number and type of conversion transactions subject to sections 145D.30 to 145D.35 and the impact of these transactions on health care costs, quality, and competition in Minnesota.

Effective date: This section is effective July 1, 2025.

**53 Relation to other law.**

Adds § 145D.37. Provides sections 145D.30 to 145D.36 are in addition to and do not affect or limit powers and responsibilities of a health maintenance organization, a service plan corporation, the attorney general, the commissioner of health, or the commissioner of commerce under existing law. States nothing in sections 145D.30 to 145D.36 authorizes a nonprofit health coverage entity to enter into a conversion transaction not permitted under chapter 317A, 501B, or other law.

Effective date: This section is effective July 1, 2025.

**54 Physician wellness program.**

Adds § 214.41. Provides a record of a person's participation in a physician wellness program is confidential and not subject to discovery, subpoena, or reporting to the applicable health-related licensing board unless the person consents to the disclosure or the disclosure is required under a section requiring certain reporting of physician conduct. Provides a person or organization employed by or operating a physician wellness program is immune from civil liability for actions taken in good faith related to their duties with the physician wellness program.

**55 Managed care.**

Amends § 256B.035. Prohibits the commissioner of human services from entering into a contract with a health maintenance organization to deliver health care services to medical assistance and MinnesotaCare enrollees if the health maintenance organization is not a nonprofit corporation organized under chapter 317A or a local governmental unit.

**Section Description – Article 57: Health Insurance**

---

Effective date: This section is effective January 1, 2025, and applies to managed care contracts that take effect on or after that date.

**56 Gender-affirming care.**

Amends § 256B.0625, subd. 3a. Requires medical assistance coverage of gender-affirming care to be consistent with health plan coverage of gender-affirming care.

Effective date: This section is effective January 1, 2025.

**57 Eyeglasses.**

Amends § 256B.0625, subd. 12. Strikes language related to medical assistance (MA) coverage of dentures and prosthetic and orthotic devices (MA coverage of these devices is specified elsewhere in statute).

Effective date: This section is effective January 1, 2025, or upon federal approval, whichever is later.

**58 Abortion services.**

Amends § 256B.0625, subd. 16. Requires medical assistance to cover abortions and abortion-related services, including preabortion services and follow-up services, and strikes requirements that abortion services must be medically necessary and delivered in accordance with applicable Minnesota laws.

Effective date: This section is effective January 1, 2025, or upon federal approval, whichever is later.

**59 Nutritional products.**

Amends § 256B.0625, subd. 32. In a subdivision governing medical assistance coverage of nutritional products, requires medical assistance to cover amino acid-based elemental formulas in the same manner as required under section 62Q.531, which requires coverage for these formulas for conditions for which the formula is medically necessary.

Effective date: This section is effective January 1, 2025.

**60 Orthotic and prosthetic devices.**

Amends § 256B.0625, by adding subd. 72. States that MA covers orthotic and prosthetic devices, supplies, and services, according to section 256B.066.

Effective date: This section is effective January 1, 2025, or upon federal approval, whichever is later.

**Section Description – Article 57: Health Insurance**

---

**61 Rapid whole genome sequencing.**

Adds subd. 73 to § 256B.0625. Provides that medical assistance covers rapid whole genome sequencing according to section 62A.3098, subdivisions 1 to 3 and 6.

Effective date: This section is effective January 1, 2025.

**62 Intermittent catheters.**

Adds subd. 74 to § 256B.0625. Requires medical assistance to cover intermittent urinary catheters and insertion supplies if recommended by the enrollee's provider, and requires medical assistance to meet the requirements that apply to health plans under section 62Q.666.

**63 Scalp hair prostheses.**

Adds subd. 75 to § 256B.0625. Requires MA to cover scalp hair prostheses for hair loss and related equipment and accessories. Requires MA to meet the requirements that would otherwise apply to a health plan under section 62A.28, except that MA coverage may exceed the annual dollar limit for scalp hair prostheses of \$1,000 per benefit year that applies to commercial coverage.

Effective date: This section is effective January 1, 2025.

**64 Transfer of mothers and newborns.**

Adds subd. 76 to § 256B.0625. Requires medical assistance to cover the transfer of mothers or newborns between medical facilities according to the requirements that apply to health plans under section 62A.0411.

Effective date: This section is effective January 1, 2025.

**65 Orthotic and prosthetic devices, supplies, and services.**

Adds § 256B.066. Specifies requirements related to MA coverage for orthotic and prosthetic devices, supplies, and services. Many of the requirements are identical to or similar to those that apply to private sector health plan coverage, as specified in sections 62Q.665 and 62Q.666.

**Subd. 1. Definitions.** Provides that the definitions in section 62Q.665, subdivision 1, apply to this section.

**Subd. 2. Coverage requirements.** (a) Requires MA to cover orthoses and prostheses: (1) upon an order by a prescriber, and requires coverage to include devices, systems, supplies, accessories, and services that are customized to the enrollee's needs; (2) determined by the enrollee's provider to be the most

**Section Description – Article 57: Health Insurance**

---

appropriate model that meets the medical needs of the enrollees related to performing physical activities; or (3) for showering or bathing.

(b) Provides that the coverage in paragraph (a) includes the repair and replacement of orthotic and prosthetic devices, supplies, and services.

(c) Prohibits denial of a prosthetic or orthotic benefit for an individual with limb loss or absence, if it would otherwise be covered for a nondisabled person as part of medical or surgical intervention.

(d) Specifies requirements related to the replacement of prosthetic and orthotic devices.

**Subd. 3. Restrictions on coverage.** (a) Allows prior authorization to be required for orthotic and prosthetic devices, supplies, and services.

(b) Requires the most recent version of evidence-based treatment and fit criteria to be applied when performing a utilization review.

(c) Requires utilization review determinations to be rendered in a nondiscriminatory manner.

(d) Requires the evidence of coverage and any benefit denial letters to include language related to enrollee rights pursuant to paragraphs (b) and (c).

(e) Allows MA to require confirmation from a prescribing health care provider if the prosthetic or custom orthotic device or part being replaced is less than three years old.

**Subd. 4. Managed care plan access to care.** (a) Requires managed care and county-based purchasing plans to ensure access to medically necessary clinical care and to devices and technology from not less than two in-network prosthetic and orthotic providers located in Minnesota.

(b) Specifies requirements related to out-of-network coverage.

Effective date: This section is effective January 1, 2025, or upon federal approval, whichever is later.

66 **Definitions.**

Amends § 256B.69, subd. 2. Amends the definition of demonstration provider in a section governing the medical assistance prepayment program to require a health maintenance organization participating in the program to be a nonprofit organization.

**Section Description – Article 57: Health Insurance**

---

Effective date: This section is effective January 1, 2025.

**67 Managed care plan vendor requirements.**

Amends § 256L.12, subd. 7. Requires a health maintenance organization to be a nonprofit corporation organized under chapter 317A to serve as a managed care contractor for MinnesotaCare enrollees.

Effective date: This section is effective January 1, 2025.

**68 When required.**

Amends § 317A.811, subd. 1. Adds nonprofit health coverage entities to the nonprofit corporations that must provide notice to the attorney general if they intend to dissolve, merge, consolidate, or convert, or transfer all or substantially all of their assets. This addition is effective July 1, 2025.

**69 Superseding effect.**

Provides section 62Q.679 (religious objections) in this article supersedes section 62Q.679 in the commerce policy bill, if enacted. (The provision in the commerce policy bill provides accommodations and exemptions for entities with religious objections to covering contraceptives and gender-affirming care; the provision in this article provides accommodations and exemptions to entities with religious objections to covering contraceptives, gender-affirming care, and abortion and abortion-related services.)

**70 Initial reports to commissioner of health; utilization management tools.**

Requires utilization review organizations to submit to the commissioner of health, by September 1, 2025, initial reports on prior authorizations during the previous calendar year.

**71 Repealer.**

Repeals:

- § 62A.041, subd. 3 (in a section prohibiting discrimination against unmarried women and minors in covering maternity benefits, repeals a subdivision providing the term maternity benefits does not include elective, induced abortion)
- § 62Q.522, subds. 3 and 4 (exceptions to and accommodations for coverage of contraceptives for exempt organizations and eligible organizations with religious objections to the coverage; these exceptions and accommodations are being moved to another section)



**Section Description – Article 57: Health Insurance**

---

Effective date: This section is effective January 1, 2025, and applies to health plans offered, sold, issued, or renewed on or after that date.

**Article 58: Department of Health Finance**

This article makes changes to programs and activities at the Department of Health, including provisions governing permits for groundwater thermal exchange devices, the health professional education loan forgiveness program, notice and hearing requirements when a hospital closes or modifies operations, a right of first refusal for a local unit of government before a hospital is sold, and supplemental nursing services agencies. The article establishes requirements for the licensure of natural organic reduction facilities and authorizes natural organic reduction of dead human bodies. It also establishes a stillbirth prevention through tracking fetal movement pilot program.

**Section Description – Article 58: Department of Health Finance**

---

**1 Permit.**

Amends § 1031.621, subd. 1. In a subdivision governing permits for groundwater thermal exchange devices, requires small systems and larger systems to comply with the water-use requirements in chapter 103G in order to obtain a permit to operate a groundwater thermal exchange device. Allows up to 100 permits to be issued for larger systems, rather than up to ten permits as in current law. Changes the capacity parameters for larger systems from systems with a maximum capacity of 20 to 50 gallons per minute to systems with a maximum capacity of over 20 gallons per minute. Removes requirements that systems must be inspected a certain number of times per year (systems must still agree to allow inspections by the commissioner as a condition of obtaining a permit). Requires property owners to comply with permit conditions and lists items that may be included as permit conditions, and requires property owners or agents to submit permit applications on forms provided by the commissioner. Specifies a permit under this section is not valid if the project requires but does not have a water-use permit from the commissioner of natural resources.

Effective date: This section is effective the day following final enactment.

**2 Water-use requirements apply.**

Amends § 1031.621, subd. 2. Provides that water-use permit requirements and penalties under chapter 103G, rather than chapter 103F as in current law, apply to recipients of a permit for a groundwater thermal heat exchange device.

Effective date: This section is effective the day following final enactment.

**Section Description – Article 58: Department of Health Finance**

---

**3 Availability.**

Amends § 144.1501, subd. 2. For the health professional education loan forgiveness program, strikes language establishing a health professional education loan forgiveness account and authorizing the commissioner to use money from the account for loan forgiveness, and instead authorizes the commissioner to use money appropriated for health professional education loan forgiveness for loan forgiveness according to this section. Specifies appropriations for loan forgiveness under this section do not cancel except for uncommitted appropriations at the end of the biennium, and strikes other references to the account. Also adds physicians to the occupations eligible for loan forgiveness under this program.

**4 Penalty for nonfulfillment.**

Amends § 144.1501, subd. 5. Requires repayments received from a participant in the health professional education loan forgiveness program who fails to fulfill the participant's service commitment to be deposited in a dedicated account in the special revenue fund, rather than in the health professional education loan forgiveness account as in current law. Annually appropriates the balance in the dedicated account to the commissioner to provide loan forgiveness.

**5 Notice of closing, curtailing operations, relocating services, or ceasing to offer certain services; hospitals.**

Amends § 144.555, subd. 1a. Changes the time frame within which a hospital or hospital campus must notify the commissioner of health and others before it voluntarily closes, curtails operations, relocates services, or stops offering certain services, from 120 days to 182 days, and allows the commissioner to approve a shorter period for advanced notice if the controlling persons demonstrate that meeting the 182-day advanced notice requirement is not feasible. Requires the notice to comply with the requirements in a new subdivision 1d.

**6 Public hearing.**

Amends § 144.555, subd. 1b. Changes the timeframe within which a public hearing must be held on a scheduled cessation, curtailment, or relocation, from within 45 days after receiving notice to within 30 days after receiving notice. Specifies a public hearing on a scheduled cessation, curtailment, or relocation must be held within ten miles of the hospital or hospital campus or with the commissioner's approval as close as practicable, at a location provided by the hospital or hospital campus. Requires video conferencing technology to be used to allow the public to view and participate in the hearing.

**7 Method of providing notice; content of notice.**

Adds subd. 1d to § 144.555. Requires a hospital or hospital campus to provide notice to patients, the public, local units of government, the commissioner of health, and

**Section Description – Article 58: Department of Health Finance**

---

- personnel of the affected unit, hospital, or hospital campus of its proposed closure, cessation, or curtailment, by the listed methods. Lists information the notice must include.
- 8 **Penalty; facilities other than hospitals.**  
Amends § 144.555, subd. 2. Makes a change to conform with the penalties for hospitals that violate section 144.555 being moved to a new subdivision 3.
- 9 **Penalties; hospitals.**  
Adds subd. 3 to § 144.555. Allows the commissioner to issue a correction order if a hospital or hospital campus fails to participate in a public hearing or fails to notify the commissioner (this is current law and is being moved from subdivision 2). Requires the commissioner to impose on the controlling persons of a hospital or hospital campus, a fine of \$20,000 for each failure to provide notice to the public, a government entity, or affected personnel of the hospital or hospital campus in the manner required under subdivision 1d, with the cumulative fines imposed under this paragraph not to exceed \$60,000 for a single scheduled action. Provides the commissioner is not required to issue a correction order before imposing this fine, and provides a person on whom a penalty is imposed has a right to a hearing.
- 10 **Right of first refusal; sale of hospital or hospital campus.**  
Adds § 144.556. Before a hospital or hospital campus may be sold or offered for sale, requires the controlling persons to first make a good faith offer to sell or convey the hospital or hospital campus to a local unit of government where the hospital or hospital campus is located at a price which is not above its fair market value. Requires the party to whom the offer is made to accept or decline the offer within 60 days of receipt, and if the party to whom the offer is made fails to respond within 60 days, provides the offer is deemed declined.
- 11 **Competency evaluation program.**  
Amends § 144A.61, subd. 3a. Requires the commissioner of health to make the written portion of the nursing assistant competency evaluation available in languages other than English that are commonly spoken by individuals who want to be listed on the nursing assistant registry.  
  
Effective date: This section is effective January 1, 2025.
- 12 **Controlling person.**  
Amends § 144A.70, subd. 3. Modifies the definition of controlling person for sections governing registration of supplemental nursing services agencies.

**Section Description – Article 58: Department of Health Finance**

---

- 13      **Person.**  
Amends § 144A.70, subd. 5. Modifies the definition of person for sections governing registration of supplemental nursing services agencies by removing a reference to firm and adding limited liability company.
- 14      **Supplemental nursing services agency.**  
Amends § 144A.70, subd. 6. Modifies the definition of supplemental nursing services agency (SNSA) for sections governing their registration by removing a reference to firm and adding limited liability company to the list of entities that may operate as an SNSA.
- 15      **Oversight.**  
Amends § 144A.70, subd. 7. Changes the frequency of surveys of SNSAs by the commissioner from annually to semiannually and allows the commissioner to also perform follow-up surveys.
- 16      **Application information and fee.**  
Amends § 144A.71, subd. 2. Modifies the information that must be included on an application for SNSA registration, to require: the names and addresses of the controlling persons of the SNSA; if the owner is a limited liability company, copies of its articles of organization and operating agreement; documentation of medical malpractice insurance; documentation of holding an employee dishonesty bond; documentation of workers' compensation insurance; and documentation that certain information has been filed with the commissioner of revenue (certain of these requirements are being moved from another section). Also specifies the registration fee is nonrefundable.
- 17      **Renewal applications.**  
Adds subd. 2a to § 144A.71. Requires an applicant for renewal of SNSA registration to complete the form provided by the department at least 60 days before the current registration expires.
- 18      **Penalties.**  
Adds § 144A.715. Provides a violation of sections governing SNSAs that is not corrected by the time of a follow-up survey subjects the entity to a fine, and authorizes a subsequent fine if the violation is not corrected after a subsequent follow-up survey. Requires payment of a fine within 15 business days from the SNSA's receipt of the notice of the fine.
- 19      **Minimum criteria.**  
Amends § 144A.72, subd. 1. Adds to the conditions of registration as an SNSA, that:

**Section Description – Article 58: Department of Health Finance**

---

- owners and controlling persons of an SNSA must complete a background study and receive a clearance or set aside of a disqualification; and
- the SNSA verifies competency of the individuals it places, with a fine of \$3,000 for violating this clause.

Establishes a fine of \$3,000 if an SNSA restricts the employment opportunities of its employees or requires an employee or facility to pay damages or fees if the facility hires the employee as a permanent employee. Strikes certain conditions related to insurance, an employee dishonesty bond, and filing certain information with the commissioner of revenue; these requirements are moved to another section.

**20 Complaint system.**

Amends § 144A.73. Specifies the commissioner of health, not the Office of Health Facility Complaints, investigates complaints against SNSAs.

**21 Arrangements for disposition.**

Amends § 149A.02, subd. 3. Effective July 1, 2025, amends the definition of arrangements for disposition to include disposition by natural organic reduction.

**22 Final disposition.**

Amends § 149A.02, subd. 16. Effective July 1, 2025, amends the definition of final disposition to include disposition by means of natural organic reduction.

**23 Inurnment.**

Amends § 149A.02, subd. 26a. Effective July 1, 2025, amends the definition of inurnment to include placing naturally reduced remains in a suitable container for placement, burial, or shipment.

**24 Licensee.**

Amends § 149A.02, subd. 27. Effective July 1, 2025, amends the definition of licensee to include a person or entity with a license from the commissioner of health to operate a natural organic reduction facility.

**25 Natural organic reduction or naturally reduce.**

Adds subd. 30b to § 149A.02. Defines natural organic reduction or naturally reduce as the contained accelerated conversion of a dead human body to soil. This subdivision is effective July 1, 2025.

**Section Description – Article 58: Department of Health Finance**

---

- 26      **Natural organic reduction facility.**  
Adds subd. 30c to § 149A.02 Defines natural organic reduction facility as a structure or space in a building or real property where natural organic reduction occurs. This subdivision is effective July 1, 2025.
- 27      **Natural organic reduction vessel.**  
Adds subd. 30d to § 149A.02. Defines natural organic reduction vessel as an enclosed container in which natural organic reduction takes place. This subdivision is effective July 1, 2025.
- 28      **Naturally reduced remains.**  
Adds subd. 30e to § 149A.02. Defines naturally reduced remains as the soil remains after the natural organic reduction of a dead human body, and the accompanying plant material. This subdivision is effective July 1, 2025.
- 29      **Naturally reduced remains container.**  
Adds subd. 30f to § 149A.02. Defines naturally reduced remains container as a container in which naturally reduced remains are placed. This subdivision is effective July 1, 2025.
- 30      **Processing.**  
Amends § 149A.02, subd. 35. Effective July 1, 2025, amends the definition of processing to include reducing naturally reduced remains by mechanical means to a granulated appearance appropriate for final disposition or final reduction.
- 31      **Scattering.**  
Amends § 149A.02, subd. 37c. Effective July 1, 2025, amends the definition of scattering to include the authorized dispersal of naturally reduced remains in a defined area of a dedicated cemetery or area where no local prohibition exists.
- 32      **Duties of commissioner.**  
Amends § 149A.03. Amends the duties of the commissioner of health related to mortuary science and the disposition of human bodies, to include enforcing laws and adopting rules on the licensing and operation of natural organic reduction facilities. This amendment is effective July 1, 2025.
- 33      **License to operate a natural organic reduction facility.**  
Adds § 149A.56. Requires a natural organic reduction facility to be licensed by the commissioner of health in order to operate, and establishes requirements for natural organic reduction facilities. This section is effective July 1, 2025.

**Section Description – Article 58: Department of Health Finance**

---

**Subd. 1. License requirement.** Prohibits a person from operating a place to perform natural organic reduction of dead human bodies without possessing a license to operate a natural organic reduction facility issued by the commissioner of health.

**Subd. 2. Requirements for natural organic reduction facility.** Requires a natural organic reduction facility to consist of a building that contains one or more natural organic reduction vessels; a motorized mechanical device to process remains in natural reduction; and a refrigerated holding facility for dead human bodies awaiting natural organic reduction. Allows a facility to contain a display room for funeral goods.

**Subd. 3. Application procedure; documentation; initial inspection.** Requires an applicant for a license to operate a natural organic reduction facility to apply to the commissioner and specifies what a completed application must include. Upon receipt of the application and fee, requires the commissioner to review and verify information, conduct an initial inspection, grant or deny licensure, and notify the applicant. Requires notice to the applicant to be in writing if the application is denied.

**Subd. 4. Nontransferability of license.** Provides a license to operate a natural organic reduction facility is not transferable, and that a license is only valid for the location listed on the license. Provides a 50 percent or more change in ownership or location automatically terminates the license.

**Subd. 5. Display of license.** Requires a license to operate a natural organic reduction facility to be conspicuously displayed on the premises at all times.

**Subd. 6. Period of licensure.** Provides a license to operate a natural organic reduction facility is valid from July 1 to June 30.

**Subd. 7. Reporting changes in license information.** Requires changes in license information to be reported to the commissioner within 30 days after the change, and provides failure to report the change is grounds for disciplinary action.

**Subd. 8. Licensing information.** Provides section 13.41 applies to data collected and maintained by the commissioner under this section. (Section 13.41 classifies and provides for access to data held by a state agency related to professional or other types of licenses.)

**34 Renewal of license to operate a natural organic reduction facility.**

Adds § 149A.57. Establishes requirements for renewal of a license for a natural organic reduction facility. This section is effective July 1, 2025.

**Section Description – Article 58: Department of Health Finance**

---

**Subd. 1. Renewal required.** Makes natural organic reduction facility licenses expire on June 30, and requires licenses to be renewed to remain valid.

**Subd. 2. Renewal procedure and documentation.** Requires a licensee who wants to renew a license to submit a completed renewal application by June 30 following the date of licensure, and specifies what a completed renewal application must include. Upon receipt of the completed renewal application, requires the commissioner to review and verify the information, make a determination to renew or not renew the license, and notify the applicant for renewal of the determination. If the determination is to not renew the license, requires the notification to be in writing and allows a hearing to be requested.

**Subd. 3. Penalty for late filing.** Provides renewal applications received after a license expires will result in assessment of a late fee, and requires the late fee to be paid within 31 days after the license expires for the license to be reissued.

**Subd. 4. Lapse of license.** Provides a license to operate a natural organic reduction facility lapses if the renewal application and late fee are not submitted to the commissioner within 31 days after the license expires.

**Subd. 5. Effect of lapse of license.** When a license lapses, provides the person to whom the license was issued is no longer licensed to operate a natural organic reduction facility, and requires the commissioner to issue a cease and desist order to prevent the person from operating a natural organic reduction facility.

**Subd. 6. Restoration of lapsed license.** Allows the commissioner to restore a lapsed license upon receiving and reviewing a completed application, receiving the late filing penalty, and reinspecting the premises, as long as the application is received within one year of the lapse and a cease and desist order has not been violated.

**Subd. 7. Reporting changes in license information.** Requires changes of license information to be reported to the commissioner within 30 days after the change occurs, and makes failure to report a change in license information a ground for disciplinary action.

**Subd. 8. Licensing information.** Provides section 13.41 applies to data collected and maintained by the commissioner under this section. (Section 13.41 classifies and provides for access to data held by a state agency related to professional or other types of licenses.)



**Section Description – Article 58: Department of Health Finance**

---

**35 Natural organic reduction facilities.**

Adds subd. 6a to § 149A.65. Sets the initial and renewal fees to license a natural organic reduction facility at \$425, and the late fee charge for license renewal at \$100. This subdivision is effective July 1, 2025.

**36 Use of titles.**

Amends § 149A.70, subd. 1. Effective July 1, 2025, provides that only a person with a natural organic reduction facility license may use the title natural organic reduction facility, human composting, or any other title or term implying the person operates a natural organic reduction facility.

**37 Business location.**

Amends § 149A.70, subd. 2. Effective July 1, 2025, prohibits a natural organic reduction facility from doing business at a location that is not licensed as a natural organic reduction facility.

**38 Advertising.**

Amends § 149A.70, subd. 3. Adds certain acts related to performing natural organic reductions to the list of acts that constitute false, misleading, or deceptive advertising and are prohibited under this subdivision. These amendments are effective July 1, 2025.

**39 Reimbursement prohibited.**

Amends § 149A.70, subd. 5. Effective July 1, 2025, prohibits a licensee, student, or intern from offering, asking for, or accepting a fee or other reimbursement for recommending or causing a body to be disposed of by a specific natural organic reduction facility.

**40 Preventive requirements.**

Amends § 149A.71, subd. 2. Adds naturally reduced remains containers to the list of funeral goods for which funeral providers must have a separate price list. Requires a funeral provider's general price list to have separate prices for each natural organic reduction, each shroud, and any natural organic reduction facility charges, and to have either the price range for shrouds and naturally reduced remains containers offered by the funeral establishment or the prices of individual containers offered by the funeral establishment. These amendments are effective July 1, 2025.

**Section Description – Article 58: Department of Health Finance**

---

- 41 **Casket, alternative container, alkaline hydrolysis container, naturally reduced remains container, and cremation container sales; records; required disclosures.**  
Amends § 149A.71, subd. 4. Effective July 1, 2025, requires a funeral provider who sells or offers for sale a naturally reduced remains container to maintain a record of each sale, and requires the record to contain the listed information.
- 42 **Casket for alkaline hydrolysis, natural organic reduction, or cremation provisions; deceptive acts or practices.**  
Amends § 149A.72, subd. 3. Effective July 1, 2025, provides it is a deceptive act or practice for a funeral provider to represent that a casket is required under state or federal law for natural organic reductions.
- 43 **Deceptive acts or practices.**  
Amends § 149A.72, subd. 9. Effective July 1, 2025, provides it is a deceptive act or practice for a funeral provider to represent that natural organic reduction facilities require the purchase of any funeral goods or services or burial site goods or services when such a purchase is not required by natural organic reduction facilities.
- 44 **Casket for alkaline hydrolysis, natural organic reduction, or cremation provisions; deceptive acts or practices.**  
Amends § 149A.73, subd. 1. Effective July 1, 2025, provides it is a deceptive act or practice for a funeral provider to require a casket to be purchased for natural organic reduction.
- 45 **Services provided without prior approval; deceptive acts or practices.**  
Amends § 149A.74, subd. 1. Effective July 1, 2025, requires a funeral provider, in seeking permission to embalm a body, to disclose that no embalming fee will be charged if the family selects disposition by natural organic reduction.
- 46 **Disposition permit.**  
Amends § 149A.93, subd. 3. Effective July 1, 2025, adds natural organic reduction to the types of disposition for which a disposition permit is required.
- 47 **Generally.**  
Amends § 149A.94, subd. 1. Adds natural organic reduction to the types of disposition that must be performed within a reasonable time after death. If natural organic reduction will not be initiated within 72 hours after death or release of the body, requires the body to be embalmed, refrigerated, or packed in dry ice. These amendments are effective July 1, 2025.

**Section Description – Article 58: Department of Health Finance**

---

**48 Permit required.**

Amends § 149A.94, subd. 3. Adds alkaline hydrolysis and, effective July 1, 2025, natural organic reduction to the types of disposition of a dead human body for which a disposition permit is required.

**49 Alkaline hydrolysis, cremation, or natural organic reduction.**

Amends § 149A.94, subd. 4. Effective July 1, 2025, provides that inurnment of naturally reduced remains and release to an appropriate party is considered final disposition, and no further permits or authorizations are required for transportation, interment, or placement.

**50 Natural organic reduction facilities and natural organic reduction.**

Adds § 149A.955. Establishes requirements for natural organic reduction facilities and the performance of natural organic reductions. This section is effective July 1, 2025.

**Subd. 1. License required.** Provides a dead human body may undergo natural organic reduction only at a licensed natural organic reduction facility.

**Subd. 2. General requirements.** Requires a building used as a natural organic reduction facility to comply with building codes, zoning laws, and environmental standards and to have a natural organic reduction system approved by the commissioner, a motorized mechanical device for processing remains in natural reduction, and a refrigerated holding facility accessible only by authorized personnel.

**Subd. 3. Aerobic reduction vessel.** Requires the natural organic reduction vessel to be a contained reduction vessel designed to promote aerobic reduction and minimize odors.

**Subd. 4. Any room where body is prepared.** Requires the room where a body is prepared for natural organic reduction to be properly lit and ventilated, have a functional sink and nonporous flooring, have the walls and ceiling covered with tile or painted with washable paint, and be constructed to prevent odors from spreading to other parts of the building.

**Subd. 5. Access and privacy.** Requires the room where a licensed mortician prepares a body to be private and have limited access and viewing into the room, be secure from entrance by unauthorized persons, and have signs on all doors that the room is private.

**Subd. 6. Areas for vessels or naturally organic reduction operations.** Requires rooms or areas where vessels reside or where the vessels or remains are handled to be ventilated; constructed to prevent odors from spreading; and have

**Section Description – Article 58: Department of Health Finance**

---

windows treated to maintain privacy. Requires areas where human remains are transferred or processed to have nonporous flooring, have walls and ceiling covered with tile or painted with washable paint, and have limited access.

**Subd. 7. Equipment and supplies.** Requires natural organic reduction facilities to have an emergency eye wash and quick drench shower.

**Subd. 8. Sanitary conditions and permitted use.** Requires certain locations in the natural organic reduction facility and their fixtures and equipment to be maintained in a clean and sanitary condition.

**Subd. 9. Occupational and workplace safety.** Provides all applicable state and federal regulations regarding exposure to workplace hazards and accidents must be followed to protect the health and safety of authorized personnel at the natural organic reduction facility.

**Subd. 10. Unlicensed personnel.** Allows a natural organic reduction facility to employ unlicensed personnel, requires the facility to provide unlicensed personnel with proper training, and makes the facility liable for compliance with this chapter and occupational health and safety laws.

**Subd. 11. Authorization to naturally reduce.** Prohibits a natural organic reduction facility from naturally reducing a dead human body or identifiable body part without written authorization to do so, and specifies what the written authorization must include.

**Subd. 12. Limitation of liability.** Refers to limitation of liability language that applies to crematories to make a natural organic reduction facility immune from civil liability or criminal prosecution for actions it takes, if acting in good faith, with reasonable reliance on an authorization to naturally reduce, according to an authorization to naturally reduce, and in an otherwise lawful manner.

**Subd. 13. Acceptance of delivery of body.** Provides a dead human body shall not be accepted for final disposition unless a licensed mortician is present; the body is wrapped in an impermeable, leak-resistant container; the body is accompanied by a disposition permit; and the body is accompanied by a natural organic reduction authorization. Lists circumstances in which a natural organic reduction facility must not accept delivery of a dead human body. Requires a body to be transferred to a new container or returned to the contracting funeral establishment if the current container is leaking. If the body is delivered in a container not suitable to be placed in a natural organic reduction vessel, requires the body to be transferred to the vessel by a licensed mortician.

**Section Description – Article 58: Department of Health Finance**

---

**Subd. 14. Bodies awaiting natural organic reduction.** Requires a body to be placed in a natural organic reduction vessel to begin natural organic reduction within 24 hours after the facility accepts the body.

**Subd. 15. Handling of dead human bodies.** Requires facility employees handling containers holding dead human bodies to use universal precautions and use reasonable precautions to minimize the risk of transmitting a communicable disease from the body. Prohibits a body from being removed from the container in which it is delivered to the facility without authorization from the person who controls disposition, and requires removals to be performed by a licensed mortician. Provides the remains are considered a dead human body until after the final reduction. Allows the persons with the legal right to control final disposition to be involved with preparation of the body.

**Subd. 16. Identification of the body.** Requires a natural organic reduction facility to maintain identification procedures to identify dead human bodies from the time the facility accepts delivery of the body until the naturally reduced remains are released to an authorized party.

**Subd. 17. Natural organic reduction vessel for human remains.** Requires a natural organic reduction facility to naturally reduce only dead human bodies or human remains in a natural organic reduction vessel.

**Subd. 18. Natural organic reduction procedures; privacy.** Requires final disposition of dead human bodies by natural organic reduction to be performed in privacy, and only allows authorized personnel to be in the natural organic reduction area unless there is written authorization from the person who controls final disposition that others may be present. Provides this does not prohibit a laying-in ceremony.

**Subd. 19. Natural organic reduction procedures; commingling of bodies prohibited.** Except with express permission of the person with the right to control final disposition of the body, prohibits a natural organic reduction facility from commingling multiple bodies in the same natural organic reduction vessel. Provides incidental residue remaining in the vessel does not violate this subdivision.

**Subd. 20. Natural organic reduction procedures; removal from natural organic reduction vessel.** Requires reasonable efforts to be made to remove all recoverable remains from a natural organic reduction vessel when the process is complete. Requires materials that cannot be naturally reduced to be separated from the naturally reduced remains and disposed of by the facility.

**Section Description – Article 58: Department of Health Finance**

---

**Subd. 21. Natural organic reduction procedures; processing remains.** Requires remaining intact remains to be reduced to a granulated appearance and the granulated remains and rest of the remains to be returned to the natural organic reduction vessel for final reduction.

**Subd. 22. Natural organic reduction procedures; commingling of remains prohibited.** Except with express permission of the person with the right to control final disposition of the body, prohibits a natural organic reduction facility from commingling remains of more than one body at a time in the mechanical processor. Provides incidental residue remaining in the processor does not violate this subdivision.

**Subd. 23. Natural organic reduction procedures; testing naturally reduced remains.** Requires material in a natural organic reduction vessel to maintain a temperature of 131 degrees for at least 72 hours, and establishes testing requirements for naturally reduced remains. Requires a natural organic reduction facility to annually report to the commissioner of health on the facility's activities during the previous calendar year.

**Subd. 24. Natural organic reduction procedures; use of more than one naturally reduced remains container.** If naturally reduced remains are placed in two or more containers, requires all containers to contain duplicate identification tags or labels, and requires paperwork to indicate the number and disposition of each container.

**Subd. 25. Natural organic reduction procedures; disposition of accumulated residue.** Requires residue in the natural organic reduction vessel, mechanical processor, and other equipment to be disposed of by any lawful manner deemed appropriate.

**Subd. 26. Natural organic reduction procedures; release of naturally reduced remains.** After natural organic reduction, requires the remains to be released according to instructions on the authorization for natural organic reduction. Establishes requirements for the remains that are to be shipped, and when there is a dispute over the release or disposition of the remains.

**Subd. 27. Unclaimed naturally reduced remains.** Establishes procedures for the facility to follow if the naturally reduced remains are unclaimed.

**Subd. 28. Required records.** Requires a natural organic reduction facility to maintain a record of each natural organic reduction performed, and lists what the record must contain.

**Section Description – Article 58: Department of Health Finance**

---

**Subd. 29. Retention of records.** Requires records on natural organic reductions to be maintained for three years after release of the remains, after which they may be placed in storage or reduced to another format for ten years after release of the remains. After ten years, the records may be destroyed.

**51 Stillbirth prevention through tracking fetal movement pilot program.**

Requires the commissioner of health to issue a grant for a stillbirth prevention through tracking fetal movement pilot program, which will operate in fiscal years 2025, 2026, and 2027. Allows grant funds to be used to educate expectant parents about the importance of tracking fetal movement in the third trimester of pregnancy, provide educational materials to providers and expectant parents, raise awareness with providers about certain topics, and raise public awareness of the availability of free fetal movement tracking resources. Lists information the grant recipient must provide to the commissioner during the pilot program, and requires the commissioner to submit an interim report and a final report on the pilot program to the legislative committees with jurisdiction over public health.

## **Article 59: Department of Health Policy**

This article makes policy changes to programs administered by the commissioner of health on topics that include the timing of financial examinations of health maintenance organizations, registration and reporting by 340B covered entities, prescription drug price transparency, public reports and reports to the legislature, hiring the director of the Antimicrobial Stewardship Collaborative, nonrefundability of certain fees collected by the commissioner, birth records, nursing facility case mix reimbursement classifications, the summer health care intern program, the international medical graduates assistance program, thrombectomy-capable stroke center designations, the hospital construction moratorium, reconsideration of correction orders, disclosure of certain information by nonprofit hospitals, dispute resolution regarding nursing facility deficiencies, home care providers, assisted living facilities, supervision of temporary tattoo and body piercing technicians, and transportation protection agreements.

**Section Description – Article 59: Department of Health Policy**

---

**1 Examination authority.**

Amends § 62D.14, subd. 1. Changes the timeframe within which the commissioner of health must examine the affairs of health maintenance organizations, from at least every three years to at least every five years.

**2 340B covered entity report.**

Adds § 62J.461.

**Section Description – Article 59: Department of Health Policy**

---

**Subd. 1. Definitions.** Defines the following terms: 340B covered entity, 340B Drug Pricing Program, 340B entity type, 340B ID, contract pharmacy, and pricing unit. (These terms are not defined in the current 340B reporting provision.)

**Subd. 2. Current registration.** Beginning April 1, 2024, requires each 340B covered entity to maintain a current registration with the commissioner. Requires the registration to include: (1) the name of the covered entity; (2) the 340B ID of the entity; (3) the servicing address of the entity; and (4) the 340B entity type. (Current law requires the covered entity to report information but does not require registration; the reporting of the information in clauses (1) and (3) is required under current law, clause (2) is a new requirement, and clause (4) modifies current language.)

**Subd. 3. Reporting by covered entities to the commissioner.** (a) Requires each 340B covered entity to report to the commissioner, by April 1 of each year, the following payment and cost information related to participation in the 340B program: (1) the aggregated acquisition cost for 340B drugs obtained (required under current law); (2) the aggregated payment amount received for 340B drugs dispensed or administered to patient (reporting for drugs dispensed is required under current law); (3) the number of pricing units dispensed or administered under clause (2) (a new provision); and (4) the aggregated payments made to: (i) contract pharmacies; (ii) other entities for program management; and (iii) for all other administrative expenses (items (ii) and (iii) are not referenced in current law). Also incorporates current law requirements related to reporting the information in clauses (2) and (3) by payer type.

(b) Incorporates the current law requirement that hospitals report specified information for the 50 most frequently dispensed or administered drugs (current law requires this reporting only for drugs that are dispensed).

(c) Incorporates the current law provision classifying the data submitted as nonpublic data.

**Subd. 4. Enforcement and exceptions.** Adds language on enforcement that is not included in current law. Paragraph (a) provides that any entity that fails to provide data in the form and manner specified by the commissioner is subject to a fine, to be paid to the commissioner, of up to \$500 for each day the data are past due. States that any fine levied is subject to contested case and judicial review provisions. Paragraph (b) allows the commissioner to grant an extension or exemption for an entity, upon a showing of good cause.

**Subd. 5. Reports to the legislature.** Incorporates the current law requirement that the commissioner report aggregate data submitted by covered entities annually to the legislature, beginning November 15, 2024, and each November



**Section Description – Article 59: Department of Health Policy**

---

15 thereafter. Adds a new provision that requires the following information to be included in the report for 340B entities whose net 340B revenue constitutes a significant share of all net 340B revenue across 340B covered entities in the state: (1) the information submitted in subdivision 2 as part of the registration; and (2) the 340B net revenue for each entity, calculated as specified. For all other entities, requires the data reported to be aggregated to the entity type or groupings in a way that prevents identification of an individual entity and an entity's specific data reported.

**3 Opportunity for comment.**

Amends § 62J.61, subd. 5. Requires the commissioner of health to maintain an email address for comments from interested parties about the rulemaking procedures used to implement the Health Care Administration Simplification Act, rather than seeking comments by holding meetings as required under current law. Strikes language requiring the commissioner to issue a report every year to the Minnesota Health Data Institute and the Minnesota Administrative Uniformity Committee. Allows the commissioner to seek additional input and provide additional opportunities for input.

**4 Notice of prescription drugs of substantial public interest.**

Amends § 62J.84, subd. 10. Notwithstanding a subdivision that permits the commissioner to adopt rules under this section using expedited rulemaking, exempts the commissioner from the rulemaking requirements in chapter 14 in developing and posting a list of drugs of substantial public interest for which the commissioner intends to request data.

Effective date: This section is effective the day following final enactment.

**5 Reports on interagency agreements and intra-agency transfers.**

Amends § 144.05, subd. 6. Modifies requirements for the commissioner to report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services on interagency agreements and intra-agency transfers, to remove the requirement for the commissioner to submit a copy of the interagency agreement or service-level agreement with the report.

**6 Expiration of report mandates.**

Amends § 144.05, subd. 7. Amends a section providing for the expiration of required reports from the commissioner of health to the legislature, to specify that the annual report from the commissioner to certain members of the legislature listing reports set to expire during the following calendar year does not expire.

Effective date: This section is effective retroactively from January 1, 2024.

**Section Description – Article 59: Department of Health Policy**

---

- 7        **Establishment.**  
Amends § 144.0526, subd. 1. Requires the commissioner to hire a director for the Minnesota One Health Antimicrobial Stewardship Collaborative, rather than appointing that individual as provided under current law.
- 8        **Interpreter services quality initiative.**  
Amends § 144.058. Provides that all fees collected by the commissioner to list a spoken language health care interpreter on the spoken language health care interpreter roster, are nonrefundable.
- 9        **Definitions.**  
Amends § 144.0724, subd. 2. In a subdivision defining terms for a section on nursing facility resident case mix reimbursement classifications, strikes a paragraph defining resource utilization groups or RUG, modifies the definition of case mix index to mean the weighted factors assigned to the classifications determined by the assessment, and strikes a reference to a statute on medical assistance payment for nursing facility services.
- 10       **Resident case mix reimbursement classifications.**  
Amends § 144.0724, subd. 3a. Strikes language requiring the commissioner of health to establish nursing facility case mix reimbursement classifications according to the RUG-IV resource utilization groups. Requires case mix reimbursement classifications to be based on assessments completed according to a specific manual, and requires the optional state assessment to be completed according to another specific manual. Strikes a date.
- 11       **Resident assessment schedule.**  
Amends § 144.0724, subd. 4. In a subdivision governing assessments used to determine nursing facility resident case mix reimbursement classifications, replaces “RUG classification” with “reimbursement classification” and strikes language requiring a significant change in status assessment when all speech, occupational, and physical therapies have ended and isolation for an infectious disease has ended. Requires the optional state assessment to accompany OBRA assessments, and specifies the optional state assessment is also required to determine reimbursement when all speech, occupational, and physical therapies have ended and isolation for an infectious disease has ended.
- 12       **Penalties for late or nonsubmission.**  
Amends § 144.0724, subd. 6. In a subdivision specifying consequences for a facility’s failure to complete or submit an assessment, specifies the consequences apply when the facility fails to complete or submit the assessment when the assessment is due, and strikes language specifying the consequences apply if the assessment is not

**Section Description – Article 59: Department of Health Policy**

---

- completed or submitted within seven days of the time requirements listed in a resident assessment manual. Modifies a term used, from “RUG-IV classification” to “case mix reimbursement classification.”
- 13      **Notice of resident case mix reimbursement classification.**  
Amends § 144.0724, subd. 7. Modifies terms: from “modifying assessment” to “modified assessment” and from “case mix classification” to “case mix reimbursement classification.”
- 14      **Request for reconsideration of resident classifications.**  
Amends § 144.0724, subd. 8. In a subdivision governing requests for reconsideration of resident case mix reimbursement classifications, classifies data collected as part of the reconsideration process as private data on individuals and nonpublic data. Notwithstanding these classifications, allows the commissioner to share the data with the Centers for Medicare and Medicaid Services (CMS) and the commissioner of human services as needed for reimbursement. Makes other technical changes.
- 15      **Audit authority.**  
Amends § 144.0724, subd. 9. In a subdivision governing audits by the commissioner of health of the accuracy of resident assessments, adds a manual the commissioner must use when conducting audits. Replaces a reference to “RUG-IV classifications” with “case mix reimbursement classifications” and makes other technical changes.
- 16      **Nursing facility level of care.**  
Amends § 144.0724, subd. 11. Updates a cross-reference to conform with an amendment to section 144.0724, subdivision 4, and refer to both the federally required assessment and the state assessment.
- 17      **Summer internships.**  
Amends § 144.1464, subd. 1. Adds assisted living facilities to the health care facilities that may be awarded grants for the secondary and postsecondary summer health care intern program.
- 18      **Criteria.**  
Amends § 144.1464, subd. 2. Adds assisted living facilities to the health care facilities that may be awarded grants to employ pupils in the secondary and postsecondary summer health care intern program. Also removes an obsolete date.

**Section Description – Article 59: Department of Health Policy**

---

- 19      **Grants.**  
Amends § 144.1464, subd. 3. Adds assisted living facilities to the health care facilities that may be awarded grants to employ pupils in the secondary and postsecondary summer health care intern program.
- 20      **Programs.**  
Amends § 144.1505, subd. 2. Modifies the health professionals clinical training expansion grant program to eliminate the per-year grant limit but maintain the total \$300,000 grant limit for a training site. Authorizes the commissioner to provide a one-year, no-cost grant extension.
- 21      **Definitions.**  
Amends § 144.1911, subd. 2. For purposes of the international medical graduates assistance program, amends the definition of immigrant international medical graduate to include a graduate who has entered the U.S. on a temporary status based on urgent humanitarian or significant public benefits reasons (current law in part requires the graduate to permanently reside in the U.S.).
- 22      **Replacement.**  
Adds subd. 5a to § 144.212. Adds a definition of replacement to the vital records statutes.
- 23      **Status of foundling reports.**  
Amends § 144.216, subd. 2. Requires information about the birth of a child of unknown parentage to be registered by the state registrar with as much fact of birth information as is known, with the place and date the child is found registered in place of the place and date of birth, the name given to the child by the child’s custodian as the child’s legal name, and the name and address of the custodian as the attendant.
- 24      **Reporting of safe place newborns.**  
Adds subd. 3 to § 144.216. Requires a hospital that receives a newborn under the safe place for newborns law to report the birth of the newborn to the Office of Vital Records within five days after receiving the newborn. Requires the state registrar to register information about the newborn with as much fact of birth information as is known, with the place and date the child is found registered in place of the place and date of birth, the name given to the child by the child’s custodian as the child’s legal name, and the name and address of the custodian as the attendant.
- 25      **Status of safe place birth reports and registrations.**  
Adds subd. 4 to § 144.216. States that information about a safe place newborn registered under subdivision 3 constitutes the child’s record of birth, classifies the record as confidential, and allows information on the birth record to be disclosed

**Section Description – Article 59: Department of Health Policy**

---

only to the responsible social services agency or according to court order. If a safe place newborn was born in a hospital and a record of birth was filed, provides the record of birth under subdivision 3 shall replace the original record of birth.

**26 Safe place newborn; birth record.**

Adds subd. 6 to § 144.218. Requires the state registrar to issue a replacement birth record without information that identifies a parent if a safe place infant's birth is registered by a hospital that receives a safe place infant. Classifies the prior vital record as confidential and prohibits its disclosure except according to court order.

**27 Thrombectomy-capable stroke center.**

Adds subd. 2a to § 144.493. States a hospital meets the criteria for a thrombectomy-capable stroke center if the hospital:

- is certified as a thrombectomy-capable stroke center by the Joint Commission (a hospital accreditation organization) or another nationally recognized accreditation organization; or
- is a primary stroke center that has attained a level of stroke care distinction by offering mechanical endovascular therapies and has been certified by a department-approved certifying body that is a nationally recognized, guidelines-based organization.

**28 Designation.**

Amends § 144.494, subd. 2. Allows a hospital that voluntarily meets the criteria for a thrombectomy-capable stroke center to apply to the commissioner of health for that designation. If the commissioner approves the application, provides the hospital shall be designated as such for a three-year period.

**29 Restricted construction or modification.**

Amends § 144.551, subd. 1. Modifies an existing exception to the moratorium on hospital construction projects to increase the number of licensed beds, from 70 to 100, permitted in a new hospital that replaces an existing hospital or hospitals and that is located within five miles of the existing hospital site. Also adds an exception to the moratorium on hospital construction projects to allow a project involving the relocation of up to 26 long-term acute care hospital beds from Regency Hospital in Golden Valley to dedicated space on the campus of Regions Hospital in St. Paul to operate as long-term acute care hospital beds, provided the commissioner of health finds the project is in the public interest after conducting a public interest review. (A public interest review was completed on April 5, 2024, and the project was determined to be in the public interest.)

**Section Description – Article 59: Department of Health Policy**

---

**30 Chapter 16C waiver.**

Adds subd. 10 to § 144.605. Amends a section authorizing the commissioner of health to designate trauma hospitals that meet certain requirements, to allow the commissioner to waive provisions in chapter 16C, governing state procurement and contracting, when approving contracts for independent clinical teams.

**31 Designated support person for pregnant patient or other patient.**

Amends § 144.651, subd. 10a. Expands a subdivision requiring health care providers and health care facilities to allow at least one designated support person to be physically present when a pregnant patient is receiving health care services, to apply to all patients.

**32 Community health needs assessment; community health improvement services; implementation.**

Adds § 144.6985.

**Subd. 1. Community health needs assessment.** Requires a nonprofit hospital that is tax-exempt under section 501(c)(3) of the Internal Revenue Code to make available to the public and submit to the commissioner of health its current community health needs assessment by January 15, 2026, and to make available and submit subsequent assessments within 15 calendar days after submitting the subsequent assessment to the Internal Revenue Service.

**Subd. 2. Description of community.** Requires a nonprofit hospital subject to subdivision 1 to make available to the public and submit to the commissioner of health a description of the community served by the hospital, and requires the description to include the listed information. Provides a hospital does not need to separately provide this information if it is included in the hospital's community health needs assessment made available and submitted under subdivision 1.

**Subd. 3. Addendum; community health improvement services.** Para. (a) requires a nonprofit hospital subject to subdivision 1, other than a hospital identified in para. (b), to annually submit to the commissioner an addendum that details information about hospital activities identified as community health improvement services with a cost of \$5,000 or more. Specifies information the addendum must include for each activity.

Para. (b) requires a hospital that is subject to subdivision 1 and that is a critical access hospital, a sole community hospital, or a rural emergency hospital to annually submit to the commissioner an addendum detailing information on the ten highest-cost activities of the hospital identified as community health

**Section Description – Article 59: Department of Health Policy**

---

improvement services. Specifies information the addendum must include for each activity.

**Subd. 4. Community benefit implementation strategy.** Requires a nonprofit hospital subject to subdivision 1 to make available to the public, within one year after completing each community health needs assessment, a community benefit implementation strategy. Requires the strategy to be developed in consultation with certain entities, and lists information the strategy must include.

**Subd. 5. Information made available to the public.** Specifies a hospital required to make information available to the public under this section may do so by posting it on the hospital's website in a consolidated location and with clear labeling. Provides this section is effective January 1, 2026.

**33 Duty to analyze reports; communicate findings.**

Amends § 144.7067, subd. 2. Provides the mandate for the commissioner of health to publish an annual report on adverse event reports, correction action plans, root cause analyses, and recommendations, does not expire.

Effective date: This section is effective retroactively from January 1, 2023.

**34 Correction orders.**

Amends § 144.99, subd. 3. Modifies the timeframe within which a person must submit a request for reconsideration of a correction order issued by the commissioner of health, from within seven days after receipt of the order to within 15 days after receipt of the order.

Effective date: This section is effective the day following final enactment.

**35 Informal dispute resolution.**

Amends § 144A.10, subd. 15. Modifies the timeframe within which the commissioner must respond to a certified nursing facility request for informal dispute resolution after being cited for deficiencies in a survey by the commissioner, from within 30 days of the exit date of the facility's survey to within ten calendar days of the facility's receipt of the notice of deficiencies.

Effective date: This section is effective August 1, 2024.

**36 Independent informal dispute resolution.**

Amends § 144A.10, subd. 16. Limits the situations in which certified nursing facilities may request an independent informal dispute resolution process after being cited for deficiencies in a survey by the commissioner, to when a facility is assessed a civil money penalty under federal rules. Requires the request to be made within ten

**Section Description – Article 59: Department of Health Policy**

---

calendar days of receiving notice the civil money penalty will be imposed. Allows the facility and commissioner to be represented by an attorney, and provides independent informal dispute resolution may not be requested for a deficiency that is the subject of informal dispute resolution. Requires independent informal dispute resolution to be conducted by an administrative law judge, rather than by an arbitrator. Specifies timelines for scheduling the proceeding, submitting arguments and evidence, and submitting a recommendation to CMS. Requires the proceeding to be informal. Provides the administrative law judge's findings and recommendations are not binding on the commissioner.

Effective date: This section is effective October 1, 2024, or upon federal approval, whichever is later, and applies to appeals of deficiencies issued on or after that date.

**37 Licensure under other law.**

Adds subd. 1a to § 144A.471. Provides a home care licensee must not provide sleeping accommodations as part of its home care services, and provides a home care licensee that provides sleeping accommodations and assisted living services must be licensed as an assisted living facility. Specifies the requirement to be licensed as an assisted living facility does not apply to settings exempt from assisted living facility licensure.

**38 Home care surveyor training.**

Amends § 144A.474, subd. 13. Amends the topics on which home care surveyors must receive training to no longer require training on the laws governing housing with services establishments, since this facility type no longer exists.

**39 Termination of service plan.**

Amends § 144A.4791, subd. 10. Strikes obsolete language that requires a written notice of termination of a service plan from a home care provider to include a statement that a notice of termination of home care services does not constitute notice of termination of housing.

**40 Stroke transport protocols.**

Amends § 144E.16, subd. 7. Adds thrombectomy-capable stroke centers to the types of stroke centers for which regional emergency medical services programs and ambulance services must develop transport standards for acute stroke patients, as part of their stroke transport protocols.

**41 Licensed health professional.**

Amends § 144G.08, subd. 29. Amends the definition of licensed health professional for the assisted living facility statutes.



**Section Description – Article 59: Department of Health Policy**

---

**42 Protected title; restriction on use.**

Adds subd. 5 to § 144G.10. Effective January 1, 2026, prohibits the use of the phrase “assisted living” to advertise, market, or otherwise describe any housing, service, package, or program provided in the state, unless the person or entity is licensed as an assisted living facility. Effective January 1, 2026, prohibits a licensee for a new assisted living facility from including the term “home care” or “nursing home” in the facility’s name.

**43 Requirements for notice and transfer.**

Amends § 144G.16, subd. 6. Requires a licensee with a provisional assisted living facility license whose license is denied, when the denial is upheld by the reconsideration process, to submit a draft closure plan within ten calendar days of receiving the reconsideration decision, work with the commissioner on revisions needed to the draft plan, and have a final closure plan submitted and approved within 30 calendar days of receipt of the reconsideration decision.

**44 988 telecommunications fee.**

Amends § 145.561, subd. 4. Removes the authority of the commissioner of health to recommend to the Public Utilities Commission a fee amount for the monthly 988 telecommunications fee, and instead sets the 988 telecommunications fee at 12 cents per month for each wireline, wireless, or IP-enabled voice service.

Effective date: This section is effective September 1, 2024.

**45 Supervisors.**

Amends § 146B.03, subd. 7a. Requires tattoo technicians and body piercing technicians to have held a regular license from the commissioner of health or be licensed by reciprocity for the number of years specified for each occupation, in order to supervise a temporary tattoo technician or temporary body piercing technician.

**46 Licensing fees.**

Amends § 146B.10, subd. 1. Specifies the fees for tattoo technician licensure, body piercing technician licensure, and licensure of body art establishments are due with the application for licensure. Strikes a paragraph setting a fee to reissue a provisional establishment license that relocates prior to inspection.

**47 Deposit.**

Amends § 146B.10. Provides that all fees for licensure of tattoo technicians, body piercing technicians, and body art establishments are nonrefundable.

**Section Description – Article 59: Department of Health Policy**

---

- 48      **Burial site services.**  
Amends § 149A.02, subd. 3b. Amends the definition of burial site services in the mortuary science chapter to specify these services do not include services provided under a transportation protection agreement. (Excluding transportation protection agreements from this definition exempts these agreements from the consumer protection and disclosure requirements that apply to burial site services.)
- 49      **Funeral services.**  
Amends § 149A.02, subd. 23. Amends the definition of funeral services in the mortuary science chapter to specify these services do not include a transportation protection agreement. (Excluding transportation protection agreements from this definition exempts these agreements from the consumer protection and disclosure requirements that apply to funeral services.)
- 50      **Transportation protection agreement.**  
Adds subd. 38a to § 149A.02. Defines transportation protection agreement in the mortuary science chapter.
- 51      **Fees.**  
Amends § 149A.65. Specifies the fees in this section for mortuary science licensure, license renewal, and licensure by endorsement; renewal of a funeral director license; funeral establishment licensure; crematory licensure; and alkaline hydrolysis facility licensure are due with the application for licensure or license renewal. Provides all fees under this section are nonrefundable.
- 52      **Scope and requirements.**  
Amends § 149A.97, subd. 2. Provides section 149A.97 does not apply to transportation protection agreements. (Section 149A.97 establishes consumer protection and disclosure requirements for preneed funeral agreements.)
- 53      **Facility average case mix index.**  
Amends § 256R.02, subd. 20. Amends a definition of facility average case mix index in chapter 256R (nursing facility rates) to remove a reference to the resource utilization group (RUG) classification system (this change is being made to conform with amendments to section 144.0724).
- 54      **Requirement to search registry before adoption petition can be granted; proof of search.**  
Amends § 259.52, subd. 2. Adds putative fathers registered in the fathers' adoption registry and legal fathers to the list of individuals who may request that the commissioner of health search the fathers' adoption registry to determine whether a

**Section Description – Article 59: Department of Health Policy**

---

child’s putative father is listed in the registry, before a petition for adoption may be granted.

**55 Classification of registry data.**

Amends § 259.52, subd. 4. Adds putative father registered in the fathers’ adoption registry, legal fathers, and attorneys representing registered putative fathers or legal fathers, to the list of individuals to whom data in the fathers’ adoption registry may be released.

**56 Revisor instruction.**

Directs the revisor of statutes to change “employee” to “staff” in the listed assisted living facility statutes.

**57 Repealer.**

Repeals:

- § 144.497 (requiring the commissioner of health to assess and report on the quality of care provided in the state for ST elevation myocardial infarction response and treatment)
- § 256R.02, subd. 46 (defining resource utilization groups or RUG for chapter 256R, nursing facility rates)
- § 62J.312, subd. 6 (reporting requirements for 340B covered entities)
- § 144.218, subd. 3 (requiring a replacement birth record to be issued for a child whose birth parents marry after the child’s birth and present the marriage certificate, recognition of parentage, or adjudication of paternity, and making the original birth record confidential)

## **Article 60: Pharmacy Board and Practice**

This article contains provisions related to access to drugs to prevent HIV, pharmacy scope of practice and licensure requirements, reporting requirements for opioid distribution, accessible drug labels, the medication repository program, and payment for certain vaccines and laboratory tests.

**Section Description – Article 60: Pharmacy Board and Practice**

---

**1 Coverage for preventive services and items.**

Amends § 62Q.46, subd. 1. Prohibits health plans from requiring prior authorization or step therapy for preexposure or postexposure prophylaxis, except that this may be required if the Food and Drug Administration has approved one or more therapeutic

**Section Description – Article 60: Pharmacy Board and Practice**

---

equivalents, and at least one therapeutically equivalent version is covered without prior authorization or step therapy.

Provides a January 1, 2026, effective date.

**2 Practitioner.**

Amends § 151.01, subd. 23. Includes in the definition of “practitioner” a pharmacist authorized to prescribe drugs to prevent HIV under section 151.37, subd. 17.

Provides a January 1, 2025, effective date.

**3 Practice of pharmacy.**

Amends § 151.01, subd. 27. The amendment to clause (3) modifies the practice of pharmacy to allow a pharmacist to order laboratory tests as part of monitoring drug therapies and participating in clinical interpretations. Also authorizes a pharmacist to collect specimens, interpret results, notify patients of results, and refer patients to other health care providers for follow-up care and to initiate, modify, or discontinue drug therapy only pursuant to a protocol or collaborative practice agreement. Allows a pharmacy technician or intern to perform these tests if working under the direct supervision of a pharmacist.

The amendment to clause (6) expands pharmacists’ authority to administer, initiate, and order influenza or SARS-CoV-2 vaccines authorized or approved by the FDA to all individuals ages three and older and all other FDA-approved vaccines to patients six and older, according to the federal Advisory Committee on Immunization Practices recommendations. Allows a pharmacist to delegate vaccine administration authority to a pharmacy technician or intern if the pharmacy technician or intern meets listed requirements for training, assessment of immunization status, reporting, and supervision.

If a patient is under 18 years old, requires the pharmacist, pharmacy technician, or intern to inform the patient and any accompanying adult caregiver of the importance of a well-child visit with a primary care provider or pediatrician. Provides supervision, certification, and training requirements for pharmacy technicians administering vaccinations.

New clauses (14) and (15) include the following in the definition of the practice of pharmacy:

- prescribing, dispensing, and administering drugs to prevent HIV, if the pharmacist meets the requirements of section 151.37, subd. 17; and

**Section Description – Article 60: Pharmacy Board and Practice**

---

- ordering, conducting, and interpreting laboratory tests necessary for therapies that use drugs to prevent HIV, if the pharmacist meets the requirements of section 151.37, subd. 17.

Provides that this section is effective July 1, 2024, except that clauses (14) and (15) are effective January 1, 2026.

**4 Application and fee; relocation.**

Amends § 151.065, by adding subd. 4a. Requires persons registered or licensed by the Board of Pharmacy to submit a new application before relocating their business. Specifies related requirements.

**5 Application and fee; change of ownership.**

Amends § 151.065, by adding subd. 4b. Requires persons registered or licensed by the Board of Pharmacy to submit a new application before changing ownership of their business. Specifies related requirements.

**6 Transfer of licenses.**

Amends § 151.065, by adding subd. 8. States that licenses and registrations granted by the Board of Pharmacy are not transferrable.

**7 Definitions.**

Amends § 151.066, subd. 1. Modifies the definition of “manufacturer” by removing the qualifier that the manufacturer be “engaged in the manufacturing of an opiate” and providing an exclusion for manufacturers that exclusively manufacture medical gas. Modifies the definition of “wholesaler” by removing the qualifier that the wholesaler be “engaged in the wholesale distribution of an opiate” and provides an exclusion for wholesalers that exclusively distribute medical gas. Also adds a definition of “third-party logistics provider.”

**8 Reporting requirements.**

Amends § 151.066, subd. 2. The amendment to paragraph (a) requires manufacturers and wholesalers with no reportable distributions of opiates during the previous calendar year to notify the Board of Pharmacy, in the manner specified by the board. A new paragraph (c) requires third-party logistics providers to report to the board the delivery or distribution into the state of any opiate, to the extent the delivery or distribution is not reported by a licensed wholesaler or manufacturer.

**9 Determination of an opiate product registration fee.**

Amends § 151.066, subd. 3. The amendment to paragraph (a) makes a technical correction. A new paragraph (h) specifies that an opiate’s units will be assigned to

**Section Description – Article 60: Pharmacy Board and Practice**

---

the manufacturer holding the New Drug Application or Abbreviated New Drug Application, as listed by the U.S. Food and Drug Administration.

**10 Accessible prescription drug container labels.**

Amends § 151.212, by adding subd. 4. Paragraph (a) requires pharmacies to: (1) inform the public that an accessible prescription drug container label is available upon request at no cost, for patients who have difficulty seeing or reading standard labels; and (2) inform patients who have difficulty seeing or reading standard labels of the availability of accessible labels.

Paragraph (b) requires pharmacies, subject to paragraph (e), to provide accessible labels to patients upon request. Specifies related requirements.

Paragraph (c) specifies requirements for accessible labels.

Paragraph (d) requires the commissioner of health, by January 1, 2025, to publish a list of pharmacies that have informed the commissioner that they have the technological capacity to provide accessible labels, and to update this list on a quarterly basis until January 1, 2026.

Paragraph (e) exempts pharmacies without the capacity to provide accessible labels from that requirement, until January 1, 2026, if the pharmacy refers the patient to the list of pharmacies with that capacity.

Paragraph (f), beginning January 1, 2026, requires all pharmacies to provide accessible labels.

Paragraph (g) states that this subdivision does not apply to prescription drugs dispensed and administered by a correctional institution.

States that this section is effective January 1, 2025.

**11 Drugs for preventing the acquisition of HIV.**

Amends § 151.37, by adding subd. 17.

Paragraph (a) states that a pharmacist is authorized to prescribe and administer drugs to prevent HIV in accordance with this subdivision.

Paragraph (b) requires the Board of Pharmacy, by January 1, 2025, to develop a standardized protocol for a pharmacist to follow in prescribing drugs under paragraph (a). Allows the board to consult with specified groups in developing the protocol.

**Section Description – Article 60: Pharmacy Board and Practice**

---

Paragraph (c), before a pharmacist is authorized to prescribe a drug under paragraph (a), requires the pharmacist to successfully complete a training program specifically developed for prescribing drugs to prevent HIV, offered by a college of pharmacy, an accredited continuing education provider, or a program approved by the board. Requires the pharmacist to complete continuing education requirements as specified by the board, in order to maintain authorization to prescribe.

Paragraph (d), before prescribing a drug under paragraph (a), requires the pharmacist to follow the appropriate standardized protocol. If appropriate, allows the pharmacist to dispense a drug described in paragraph (a).

Paragraph (e), before dispensing a drug under paragraph (a) that is prescribed by the pharmacist, requires the pharmacist to provide counseling and specified information to the patient.

Paragraph (f) prohibits a pharmacist from delegating prescribing authority provided under this subdivision. Allows a pharmacist intern to prepare the prescription, but requires a pharmacist authorized to prescribe under this subdivision to review, approve, and sign the prescription, before the prescription is processed or dispensed.

Paragraph (g) states that nothing in the subdivision prohibits a pharmacist from participating in the initiation, management, modification, and discontinuation of drug therapy according to a protocol authorized in this section and section 151.01, subd. 27 (authorization for participation in drug therapy under the definition of the practice of pharmacy).

Provides that this section is effective January 1, 2025, except that paragraph (b) is effective the day following final enactment.

**12 Definitions.**

Amends § 151.555, subd. 1. Restructures the statutory format for the definition of “donor.”

**13 Local repository requirements.**

Amends § 151.555, subd. 4. Removes the requirement that the central repository provide the Board of Pharmacy with a copy of the withdrawal notice of a local repository.

**14 Individual eligibility and application requirements.**

Amends § 151.555, subd. 5. Clarifies eligibility and related requirements for individuals who receive donated drugs or supplies as a new eligible patient, by:

**Section Description – Article 60: Pharmacy Board and Practice**

---

- providing that the intake application form submitted by an individual to the local repository may be an electronic or physical form;
- allowing medical assistance and MinnesotaCare enrollees to be eligible for the program; and
- removing the requirement that the local repository furnish eligible individuals with an identification card.

**15 Standards and procedures for accepting donations of drugs and supplies.**

Amends § 151.555, subd. 6. Clarifies requirements for the donation of drugs and medical supplies by:

- eliminating the requirement that each donation be accompanied by a medication repository donor form;
- requiring the central or local repository to verify and record specified information on the donor form, prior to the first donation from a new donor;
- allowing the inventory of donated drugs and supplies to be written or electronic, and allowing the board to waive the inventory requirement if an entity is under common ownership or control, and one of the entities maintains an inventory; and
- making other related changes.

**16 Standards and procedures for inspecting and storing donated drugs and supplies.**

Amends § 151.555, subd. 7. Removes the requirement that a pharmacist or practitioner who inspects donated drugs or supplies sign an inspection record. Also clarifies that no other record of the destruction of donated drugs and supplies is required, other than that specified in paragraph (f).

**17 Dispensing requirements.**

Amends § 151.555, subd. 8. Clarifies that the drug repository recipient form is signed by the recipient before the first drug or supply is dispensed or administered, and that the form may be electronic or physical. Makes other related changes.

**18 Handling fees.**

Amends § 151.555, subd. 9. Prohibits charging a medical assistance or MinnesotaCare recipient a supply or handling fee.

**19 Forms and record-keeping requirements.**

Amends § 151.555, subd. 11. Allows program participants to use electronic or physical forms that are substantively similar to the forms available on the board's website. Also makes a conforming change.



**Section Description – Article 60: Pharmacy Board and Practice**

---

- 20     **Liability.**  
Amends § 151.555, subd. 12. Clarifies that immunity from civil liability related to facilities and persons taking part in various program activities also applies to persons or entities who facilitate these activities.
- 21     **Laboratory, x-ray, and opioid testing services.**  
Amends § 256B.0625, subd. 10. Provides that medical assistance (MA) covers laboratory tests ordered and performed by a pharmacist, according to specified requirements, at no less than the same rate at which services provided by any other licensed practitioner are covered. States that this section is effective January 1, 2025, or upon federal approval, whichever is later.
- 22     **Prior authorization.**  
Amends § 256B.0625, subd. 13f. Prohibits MA from applying prior authorization and step therapy to any class of drugs approved by the Food and Drug Administration for the treatment or prevention of HIV and AIDS.  
  
Provides a January 1, 2026, effective date.
- 23     **Childhood immunizations.**  
Amends § 256B.0625, subd. 39. The amendment to paragraph (a) allows MA to pay for vaccines available at no cost from the pediatric vaccine administration program, if the vaccines qualify for 100 percent federal funding or the Centers for Medicare and Medicaid Services require coverage outside of the Vaccines for Children program.  
  
A new paragraph (b) requires MA to cover vaccines initiated, ordered, or administered by a licensed pharmacist according to specified requirements, at no less than the rate for which the same services are covered when provided by any other licensed practitioner.  
  
States that paragraph (a) is effective July 1, 2024, and paragraph (b) is effective January 1, 2025, or upon federal approval, whichever is later.
- 24     **Direction to the commissioner; assessment of licensed outpatient pharmacies; report.**  
Requires the commissioner of health, in consultation with the Board of Pharmacy, to assess pharmacies and vendors of audible container labels, to determine the number of pharmacies providing accessible labels to persons who cannot access large print or Braille labels, and the approximate cost to pharmacies of providing these labels. Requires the commissioner to report assessment results and recommendations to the legislature by January 15, 2025.

**Section Description – Article 60: Pharmacy Board and Practice**

---

States that this section is effective July 1, 2024.

**25 Rulemaking; Board of Pharmacy.**

Requires the Board of Pharmacy to amend Minnesota Rules to permit and promote the inclusion on prescription labels of: (1) the generic name of the drug; and (2) plain language instructions on any patient-specific indications.

States that this section is effective the day following final enactment.

## **Article 61: Behavioral Health**

This article contains provisions related to child and adult mental health grants; mental health uniform service standards and staffing requirements for a range of mental health services; assertive community treatment (ACT) eligibility, staffing, and programming; adult day treatment services; certified community behavioral health clinics; child and family psychoeducation services; children’s therapeutic services and supports; and intensive nonresidential rehabilitative treatment team requirements. The article also requires mental health medical assistance (MA) rate revisions and directs the commissioner of human services to develop recommendations related to mental health services, and makes technical changes.

**Section Description – Article 61: Behavioral Health**

---

**1 Community support services program.**

Amends § 245.462, subd. 6. Specifies that a program that meets the standards for Clubhouse International model programs meets the requirements for community support services.

**2 Eligible providers.**

Amends § 245.4663, subd. 2. Modifies the criteria a mental health provider must meet to be eligible for a mental health provider supervision grant by including providers providing services to people in a city or township that is not within the seven-county metropolitan area and is not the city of Duluth, Mankato, Moorhead, Rochester, or St. Cloud.

**3 Establishment and authority.**

Amends § 245.4889, subd. 1. In children’s mental health grants respite care services, modifies terminology from “out-of-home placement” to “residential treatment or hospitalization;” expands eligibility for respite care services; requires counties to work to provide access to regular respite care.

**Section Description – Article 61: Behavioral Health**

---

- 4      **Certified community behavioral health clinics.**  
Amends § 245.735, subd. 3. Extends transition period for certified community behavioral health clinics to meet revised criteria, until January 1, 2025. Makes this section effective upon federal approval.
- 5      **Functional assessment.**  
Amends § 245I.02, subd. 17. Modifies the definition of “functional assessment” in the chapter of statutes governing the Mental Health Uniform Service Standards Act by removing requirements to use specified functional assessment instruments.
- 6      **Level of care assessment.**  
Amends § 245I.02, subd. 19. Modifies the definition of “level of care assessment” in the chapter of statutes governing the Mental Health Uniform Service Standards Act by removing requirements to use specified level of care assessment instruments.
- 7      **Clinical trainee qualifications.**  
Amends § 245I.04, subd. 6. Expands the list of qualifications for clinical trainee staff to include a person who has completed an accredited graduate program of study to prepare the staff person for independent licensure as a mental health professional and has completed a practicum or internship and has not yet taken or received the results from the required test or is waiting for the final licensure decision.
- 8      **Functional assessment; required elements.**  
Amends § 245I.10, subd. 9. Removes a narrative summary from the list of elements included in a functional assessment for an adult client and modifies the timeline for updating the client’s functional assessment from every 180 days to every 365 days. Allows a license holder to use any available, validated assessment tool when completing the required elements of a functional assessment.
- 9      **Generally.**  
Amends § 245I.11, subd. 1. For children’s day treatment services license holders, defines “observed self-administration.”
- 10     **Medication administration in children’s day treatment settings.**  
Amends § 245I.11 by adding subd. 6. Requires children’s day treatment services license holders to maintain policies and procedures related to medication storage and observe self-administration of medication. Requires programs allowing self-administration to maintain documentation from a licensed prescriber regarding the safety of medications held by clients.

**Section Description – Article 61: Behavioral Health**

---

**11 Minimum staffing standards.**

Amends § 245I.20, subd. 4. Removes requirement that the two required mental health professionals employed by a mental health clinic specialize in different mental health disciplines.

**12 Weekly meetings.**

Amends § 245I.23, subd. 14. Adds paragraph (d) outlining requirements for a treatment team member working only one shift during a week who cannot participate in a weekly team meeting. Adds paragraph (e) allowing remote weekly team meetings under specified circumstances, and for a limited time, unless the license holder requests a variance.

**13 Client eligibility.**

Amends § 254B.04, subd. 1a. Specifies that MinnesotaCare enrollees are eligible for behavioral health fund for intensive residential treatment services or residential crisis stabilization services room and board. Makes this section effective January 1, 2025, or upon federal approval, whichever is later.

**14 Mental health services provider certification.**

Creates § 256B.0617. Requires the commissioner of human services to: (1) establish an initial provider entity application and certification process and recertification process to determine whether a provider entity has administrative and clinical infrastructures that meet the requirements to be certified. Lists the mental health services to which the certification process applies; (2) recertify a provider entity every three years; (3) establish a process to decertify a provider entity; and (4) provide certain information to provider entities for the certification, recertification, and decertification processes.

Makes this section effective July 1, 2024, and requires the commissioner to implement all requirements in this section by September 1, 2024.

**15 Eligibility for assertive community treatment.**

Amends § 256B.0622, subd. 2a. Expands the list of high-intensity services needed that make a person eligible for assertive community treatment.

**16 Provider certification and contract requirements for assertive community treatment.**

Amends § 256B.0622, subd. 3a. Removes a requirement that an assertive community treatment provider have a contract with the host county to provide services.

**Section Description – Article 61: Behavioral Health**

---

- 17      **Assertive community treatment team staff requirements and roles.**  
Amends § 256B.0622, subd. 7a. Modifies assertive community treatment team staff requirements and role of the team leader.
- 18      **Assertive community treatment program scores.**  
Amends § 256B.0622, subd. 7b. Removes language related to assertive community treatment team caseload limits, staff-to-client ratios, and other requirements related to team size. Requires each assertive community treatment team to demonstrate that the team attained a passing score according to the most recently issued Tool for Measurement of Assertive Community Treatment.
- 19      **Assertive community treatment assessment and individual treatment plan.**  
Amends § 256B.0622, subd. 7d. Makes the timing of updates to the ACT client’s diagnostic assessment consistent with requirements in the Mental Health Uniform Service Standards Act.
- 20      **Qualifications of provider staff.**  
Amends § 256B.0623, subd. 5. Expands the list of individuals qualified to provide adult rehabilitative mental health services to include licensed occupational therapists. Makes section effective upon federal approval.
- 21      **Certified community behavioral health clinic services.**  
Amends § 256B.0625, subd. 5m. Modifies certified community behavioral health clinic rate rebasing requirements and timelines.
- 22      **Adult day treatment services.**  
Amends § 256B.0671, subd. 3. Allows a hospital with an accreditation approved by the Centers for Medicare and Medicaid Services to provide adult day treatment.
- 23      **Child and family psychoeducation services.**  
Amends § 256B.0671, subd. 5. Expands family psychoeducation services medical assistance benefit. Modifies terminology to “child and family psychoeducation services” and expands allowable providers and services, to include individual, family, or group skills development or training. Outlines service components.
- 24      **Determination of client eligibility.**  
Amends § 256B.0943, subd. 3. For children’s therapeutic services and supports, adds requirement for standard diagnostic assessment updates as required under the mental health uniform service stands in chapter 245I.

**Section Description – Article 61: Behavioral Health**

---

- 25      **Excluded services.**  
Amends § 256B.0943, subd. 12. For children’s therapeutic services and supports, allows treatment by multiple providers within the same agency at the same clock time if one service is provided to the child and the other service is provided to the family or treatment team without the child present.
- 26      **Standards for intensive nonresidential rehabilitative providers.**  
Amends § 256B.0947, subd. 5. Modifies the list of professionals who must make up the clinically qualified core team for intensive nonresidential rehabilitative mental health services to include a co-occurring disorder specialist.
- 27      **Medicare relative value units.**  
Amends § 256B.76, subd. 6. Makes technical corrections; requires the commissioner of human services to revise and implement MA mental health services payment rates reimbursed under the resource-based relative value scale to be at least equal to 83 percent of the Medicare Physician Fee Schedule rates. Requires the commissioner to increase capitation payments made to managed care plans and county-based purchasing plans to reflect these rate increases; requires such plans to use the capitation rate increase to increase provider payment rates. Requires the commissioner to monitor the effect of the rate increases on enrollee access to MA mental health services; provides for contract procedures if federal approval is not received. Makes this section effective January 1, 2025, or upon federal approval, whichever is later.
- 28      **Reimbursement for mental health services.**  
Amends § 256B.761, as amended by Laws 2023, ch. 70, art. 1, sec. 35. Permits an inflation adjustment in connection with rates paid for adult day treatment services. Makes this section effective January 1, 2025, or upon federal approval, whichever is later.
- 29      **First Episode Psychosis Coordinated Specialty Care medical assistance benefit.**  
Requires the commissioner to develop a First Episode Psychosis Coordinated Specialty Care (FEP-CSC) medical assistance benefit. Specifies the services the benefit must include and recipient eligibility; requires a report to the legislature by December 1, 2026. Makes this section effective July 1, 2024.
- 30      **Medical assistance children’s residential mental health crisis stabilization.**  
Requires the commissioner of human services to consult with others to develop a covered benefit under MA to provide residential mental health crisis stabilization for children. Lists the items that must be included in the benefit. Requires the commissioner to: (1) make recommendations for providers to be reimbursed for room and board when developing the new benefit; (2) consult with or contract with

**Section Description – Article 61: Behavioral Health**

---

rate-setting experts to develop a prospective data-based rate methodology for the children’s residential mental health crisis stabilization benefit; and (3) submit to the legislature a report detailing specified information for the children’s residential mental health crisis stabilization benefit.

Provides a July 1, 2024, effective date.

**31 Medical assistance clubhouse benefit analysis.**

Directs the commissioner of human services to conduct an analysis to identify existing Medicaid Clubhouse benefits in other states, and related information, to develop an MA benefit. Requires the commissioner to submit a report to the legislature.

**32 Direction to commissioner of human services; mental health procedure codes.**

Requires the commissioner, in consultation with experts and external partners, to develop recommendations on simplifying mental health procedure codes and the feasibility of converting mental health procedure codes to the current procedural terminology (CPT) code structure. Requires a report to the legislature on the recommendations. Makes this section effective July 1, 2024.

**33 Mental health services formula-based allocation.**

Requires the commissioner of human services to consult with the commissioner of management and budget, counties, Tribes, mental health providers, and advocacy organizations to develop recommendations for moving from the children’s and adult mental health grant funding structure to a formula-based allocation structure for mental health service. Requires the recommendations to consider formula-based allocations for grants for respite care, school-linked behavioral health, mobile crisis teams, and first episode of psychosis programs.

**34 Revisor instruction.**

Instructs the revisor of statutes, in consultation with nonpartisan legislative staff and the commissioner of human services, to: (1) prepare legislation for the 2025 legislative session to recodify the statutes governing assertive community treatment and intensive residential treatment services to move those provisions into separate sections of statute; and (2) correct any cross-references made necessary by this recodification.

## **Article 62: Department of Human Services Policy**

This article contains provisions from the Department of Human Services (DHS) Office of Inspector General policy bill. The article makes technical fixes and policy changes to licensing

requirements and processes, modifies provisions related to background study procedures and requirements, and modifies withdrawal management, substance use disorder treatment, and opioid treatment program licensing provisions. The article also includes conforming changes made necessary by the recodification of statutes for the Department of Children, Youth, and Families.

**Section Description – Article 62: Department of Human Services Policy**

---

- 1 Exclusion from licensure.**  
Amends § 245A.03, subdivision 2, as amended by Laws 2024, chapter 80, article 2, section 35 and Laws 2024, chapter 85, section 52. Provides that assisted living facilities licensed by the commissioner of health under chapter 144G are exempt from DHS licensing requirements.
- 2 Change in ownership.**  
Amends § 245A.043, subd. 2. Modifies requirements governing what is considered a change of ownership and when a program must submit a new license application to the DHS commissioner. Makes the section effective January 1, 2025.
- 3 Standard change of ownership process.**  
Amends § 245A.043, subd. 3. Makes changes to the standard change of ownership process for DHS license holders. Makes the section effective January 1, 2025.
- 4 Emergency change in ownership process.**  
Adds a subdivision to § 245A.043. Establishes a process by which a license holder may submit a request to the DHS commissioner for an emergency change in ownership. Makes the section effective January 1, 2025.
- 5 Temporary transitional license.**  
Amends § 245A.043, subd. 4. Strikes language providing a temporary change in ownership license. Allows the DHS commissioner to issue a temporary transitional license for specified licenses when the party requesting the license already holds an active license to provide home and community-based services under chapter 245D. Makes the section effective January 1, 2025.
- 6 Failure to comply.**  
Adds a subdivision to § 245A.043. Allows the DHS commissioner to impose a licensing sanction on an applicant or license holder who does not comply with requirements governing license application after change of ownership. Makes the section effective January 1, 2025.
- 7 Sanctions; appeals; license.**  
Amends § 245A.07, subd. 1. Allows the DHS commissioner to impose terms that a license holder must follow if the commissioner issues the license holder a temporary



**Section Description – Article 62: Department of Human Services Policy**

---

- provisional license while pending a final order on an appeal of a suspension or revocation of a license. Makes the section effective January 1, 2025.
- 8      **Appeal of multiple sanctions.**  
Amends § 245A.07, subd. 6. Provides for the use of the provider licensing and reporting hub when a license holder appeals more than one licensing action or sanction.
- 9      **Adult foster care and community residential setting; variance for alternate overnight supervision.**  
Amends § 245A.11, subd. 7. Allows the DHS commissioner to grant a variance to statute or rules that requires that a caregiver is present in a community residential setting during normal sleeping hours to allow for alternative methods of overnight supervision. Makes the section effective immediately.
- 10     **Delegation of authority to agencies.**  
Amends § 245A.16, subdivision 1, as amended by Laws 2024, chapter 80, article 2, section 65. Provides that only the DHS commissioner may issue specified variances that apply to community residential settings. Makes the section effective immediately.
- 11     **Contraindicated physical restraints.**  
Amends § 245A.211, subd. 4. Clarifies language governing the process by which a license or certification holder may use restraints on a person. Makes the section effective immediately.
- 12     **Emergency overdose treatment.**  
Amends § 245A.242, subd. 2. Modifies requirements for substance use and mental health programs that are required to maintain a supply of emergency overdose medication by allowing staff and adult clients to carry the medication on them and store it in an unlocked location and providing that staff who administer the medications only need to be trained on administering that medication if it is the only medicine they deliver. Makes the section effective immediately.
- 13     **NETStudy 2.0.**  
Amends § 245C.02, subd. 13c. Specifies that information obtained from public web-based data or any other source that is not direct correspondence from DHS does not constitute notice of disqualification.
- 14     **Emergency waiver to temporarily modify background study requirements.**  
Proposes coding for § 245C.041. Adds section to allow for the commissioner to temporarily waive or modify background study requirements in the event of an

**Section Description – Article 62: Department of Human Services Policy**

---

- emergency identified by the commissioner. Lists provisions the commissioner cannot modify or waive, and what an emergency may include. Specifies requirements for entities when an emergency ends. Provides an immediate effective date.
- 15 **Fingerprints and photograph.**  
Amends § 245C.05, subd. 5. Establishes fingerprint submission requirements for Head Start program background studies.
- 16 **Background studies conducted by Department of Human Services.**  
Amends § 245C.08, subd. 1. Clarifies that juvenile court records are reviewed for all background studies conducted under chapter 245C.
- 17 **Applicants, licensees, or other occupations regulated by commissioner of health.**  
Amends § 245C.10, subd. 18. Specifies that background study fees must not exceed \$44 per study for individuals regulated by the commissioner of health.
- 18 **Disqualification from direct contact.**  
Amends § 245C.14, subd. 1. Adds a termination of the individual’s parental rights to the items that disqualify an individual from direct contact with persons receiving services from a license holder or entity under this chapter.
- 19 **Basis for disqualification.**  
Amends § 245C.14 by adding subd. 5. Specifies that information obtained from public web-based data or any other source that is not direct correspondence from DHS does not constitute notice of disqualification.
- 20 **15-year disqualification.**  
Amends § 245C.15, subd 2. Adds the following felony-level crimes and conduct to the 15-year disqualification list for background studies conducted by DHS:
- violation of an order for protection
  - organized retail theft
  - interference with privacy
  - termination of parental rights in another state or country
- 21 **Ten-year disqualification.**  
Amends § 245C.15, subd 3. Adds the following gross misdemeanor-level crimes and conduct to the ten-year disqualification list for background studies conducted by DHS:
- criminal jurisdiction for contributing to status as a juvenile petty offender or delinquency

**Section Description – Article 62: Department of Human Services Policy**

---

- criminal jurisdiction for contributing to need for protection or services
- organized retail theft

Removes repeat interference with privacy offenses (moved to 15-year list).

**22 Seven-year disqualification.**

Amends § 245C.15, subd 3. Adds the following misdemeanor-level crimes and conduct to the seven-year disqualification list for background studies conducted by DHS:

- criminal jurisdiction for contributing to status as a juvenile petty offender or delinquency
- criminal jurisdiction for contributing to need for protection or services
- organized retail theft

**23 Licensed family foster setting disqualifications.**

Amends § 245C.15, subd. 4a. Adds felony-level sexual extortion to permanent disqualifying crimes for licensed family foster setting background studies.

**24 Risk of harm; set aside.**

Amends § 245C.22, subd. 4. Requires the commissioner, for an individual seeking a child foster care license who is a relative of the child, to consider the importance of maintaining the child's relative relationships as a significant factor in determining whether to set aside a background study disqualification.

**25 Permanent bar to set aside a disqualification.**

Amends § 245C.24, subd. 2. Prohibits the commissioner from granting a set aside or variance for a disqualification connected with a foster residence setting or children's residential facility, if the individual was disqualified under the licensed family foster setting permanent disqualifications.

**26 Five-year bar to set aside or variance disqualification; children's residential facilities, foster residence settings.**

Amends § 245C.24, subd. 5. Adds variance language and broadens bar to set aside or granting a variance to include foster residence settings.

**27 Child foster care variances.**

Amends § 245C.30 by adding subd. 1b. Requires the commissioner, for an individual seeking a child foster care license who is a relative of the child, to consider the importance of maintaining the child's relative relationships as a significant factor in determining whether to grant a variance background study disqualification.

**Section Description – Article 62: Department of Human Services Policy**

---

- 28      **Protective procedures plan.**  
Amends § 245F.09, subd. 2. In withdrawal management licensing statutes, adds that contraindicated holds are not allowed. Provides an immediate effective date.
- 29      **Notification to commissioner of changes in key staff positions.**  
Amends § 245F.14 by adding subd. 8. Requires a withdrawal management program license holder to notify the commissioner of human services, on a form approved by the commissioner, within five days of a change or vacancy in a key staff position. Lists key positions. Makes this section effective January 1, 2025.
- 30      **Personnel files.**  
Amends § 245F.17. Removes the requirement that a withdrawal management program license holder maintain documentation of a statement of freedom from substance use problems in a personnel file for each staff member. Provides an immediate effective date.
- 31      **Location of service provision.**  
Amends § 245G.07, subd. 4. Modifies permissible locations for a licensed substance use disorder treatment provider to provide treatment. Allows services to be provided: (1) at one of the licensee’s licensed locations; (2) at a client’s residence, for nonresidential services; (3) via telehealth under specified circumstances; and (4) upon written approval, satellite locations at a school, jail, or nursing home, or other approved suitable locations, for nonresidential services.  
  
Requires the license holder to provide the commissioner access to all files, documentation, staff, and any other information the commissioner requires at the main licensed location. Exempts listed locations from program abuse prevention plan requirements. Makes this section effective January 1, 2025.
- 32      **Administration of medication and assistance with self-medication.**  
Amends § 245G.08, subd. 5. Removes naloxone training language; modifies terminology from “naloxone” to “opiate antagonist.” Provides an immediate effective date.
- 33      **Control of drugs.**  
Amends § 245G.08, subd. 6. Removes naloxone destruction language; modifies terminology from “naloxone” to “opiate antagonist.” Provides an immediate effective date.
- 34      **Notification to commissioner of changes in key staff positions.**  
Amends § 245G.10 by adding subd. 6. Requires a substance use disorder program license holder to notify the commissioner of human services, on a form approved by

**Section Description – Article 62: Department of Human Services Policy**

---

the commissioner, within five days of a change or vacancy in a key staff position. Lists key positions. Makes this section effective January 1, 2025.

**35 Definitions.**

Amends § 245G.22, subd. 2. Modifies the definitions of “practitioner” by removing variance language and “unsupervised use” by adding “take-home doses” in the section of statutes governing opioid treatment programs. Provides an immediate effective date.

**36 Criteria for unsupervised use.**

Amends § 245G.22, subd. 6. Modifies requirements for unsupervised use of medication used for the treatment of opioid use disorder, to allow for individualized take-home doses as ordered for days the client’s clinic is closed, on one weekend day and state and federal holidays. Removes the list of criteria a practitioner must review and document for allowed take-home doses and instead requires review and documentation of federally required criteria. Provides an immediate effective date.

**37 Restrictions for unsupervised use of methadone hydrochloride.**

Amends § 245G.22, subd. 7. Modifies unsupervised use of methadone to allow unsupervised use if a client meets statutory criteria and can safely manage unsupervised doses, as assessed, determined, and documented by a practitioner. Cites federal regulations for the limitation on the number of allowed take-home doses a client can receive. Provides an immediate effective date.

**38 Policies and procedures.**

Amends § 245G.22, subd. 17. Makes conforming changes. Provides an immediate effective date.

**39 Notice.**

Amends § 256B.064, subd. 4. Provides that when the DHS commissioner serves notice to an individual or entity about monetary recovery or sanctions under medical assistance, the commissioner must do so using a signature-verified confirmed delivery method.

**40 Behavioral health home services provider requirements.**

Amends § 256B.0757, subd. 4a. Removes the requirement that consent be written consent for behavioral health home services.

Provides an immediate effective date.

**Section Description – Article 62: Department of Human Services Policy**

---

- 41      **Behavioral health home services delivery standards.**  
Amends § 256B.0757, subd. 4d. Modifies service delivery standards for behavioral health home services providers related to the required tool providers must use to identify past and current treatment or services.  
  
Provides an immediate effective date.
- 42      **Standards.**  
Amends § 256D.01, subd. 1a. Corrects an error in the effective date of the general assistance standard of assistance increase.  
  
Provides an immediate effective date.
- 43      **Required services.**  
Amends § 256I.04, subd. 2f. Clarifies a provision related to eligibility for housing support payment.
- 44      **Supplementary service rates.**  
Amends § 256I.05, subd. 1a. Aligns housing support cost-neutral transfer program standards by consolidating language in section 256I.05, subdivision 11.
- 45      **Cost-neutral transfers from the housing support fund.**  
Amends § 256I.05, subd. 11. Aligns housing support cost-neutral transfer program standards by consolidating language in this subdivision. Makes technical changes.
- 46      **Request for reconsideration.**  
Amends § 260E.33, subdivision 2, as amended by Laws 2024, chapter 80, article 8, section 44. Requires an individual or facility to use the provider licensing and reporting hub to request reconsideration of a maltreatment determination, once the hub is implemented. Requires the request to be received by the commissioner within 15 calendar days of the individual’s receipt of the notice of determination.
- 47      **Change in ownership.**  
Amends Laws 2024, chapter 80, article 2, section 6, subdivision 2. Makes conforming changes in section governing entities licensed by the Department of Children, Youth, and Families. Makes this section effective January 1, 2025.
- 48      **Standard change in ownership process.**  
Amends Laws 2024, chapter 80, article 2, section 6, subdivision 3. Makes conforming changes in section governing entities licensed by the Department of Children, Youth, and Families. Makes this section effective January 1, 2025.

**Section Description – Article 62: Department of Human Services Policy**

---

- 49      **Emergency change in ownership process.**  
Amends Laws 2024, chapter 80, article 2, section 6, by adding subd. 3a. Makes conforming change to add the emergency change in ownership process to statutes governing entities licensed by the Department of Children, Youth, and Families. Makes this section effective January 1, 2025.
- 50      **Failure to comply.**  
Amends Laws 2024, chapter 80, article 2, section 6, by adding subd. 5. Makes conforming changes in section governing entities licensed by the Department of Children, Youth, and Families. Makes this section effective January 1, 2025.
- 51      **Sanctions; appeal; license.**  
Amends Laws 2024, chapter 80, article 2, section 10, subdivision 1. Makes conforming changes in section governing entities licensed by the Department of Children, Youth, and Families. Makes this section effective January 1, 2025.
- 52      **Revisor instruction.**  
Instructs the revisor of statutes to renumber Minn. Stat. § 256D.21 (continuation of benefits; former Minneapolis employees), as Minn. Stat. § 261.004.
- 53      **Repealer.**
- (a) Repeals Minn. Stat. § 256D.19, subs. 1 and 2 (abolition of township system of poor relief); 256D.20, subs. 1 to 4 (transfer of town employees); and 256D.23, subs. 1 to 3 (temporary county assistance program), effective the day following final enactment.
  - (b) Repeals Minn. Stat. § 245.125 (background study; Head Start programs).
  - (c) Repeals Minn. Stat. § 245C.08, subd. 2 (pre-NETStudy 2.0 background studies conducted by a county agency for family child care).
  - (d) Repeals Laws 2024, chapter 80, article 2, section 6, subdivision 4 (license application after change of ownership; conforming change).

## **Article 63: Office of Emergency Medical Services**

This article eliminates the Emergency Medical Services (EMS) Regulatory Board effective January 1, 2025, and replaces it with an Office of Emergency Medical Services headed by a director to regulate the provision of emergency medical services in the state.

**Section Description – Article 63: Office of Emergency Medical Services**

---

**1 Director.**

Adds subd. 16 to § 144E.001. Defines director for chapter 144E as the director of the Office of Emergency Medical Services.

Effective date: This section is effective January 1, 2025.

**2 Office.**

Adds subd. 17 to § 144E.001. Defines office for chapter 144E as the Office of Emergency Medical Services.

Effective date: This section is effective January 1, 2025.

**3 Office of Emergency Medical Services.**

Adds § 144E.011. Establishes the Office of Emergency Medical Services with a director appointed by the governor, and establishes duties for the director.

**Subd. 1. Establishment.** Establishes the Office of Emergency Medical Services with the powers and duties established in law.

**Subd. 2. Director.** Requires the governor to appoint a director for the office with the advice and consent of the senate, and requires the director to direct the activities of the office.

**Subd. 3. Powers and duties.** Lists powers and duties for the director: administering and enforcing chapter 144E and adopting rules to implement chapter 144E; licensing ambulance services and regulating their operation; establishing and modifying primary service areas; designating ambulance services to provide services in a primary service area and removing designations; registering medical response units and regulating their operation; certifying and registering individuals for the listed occupations; approving education programs and administering qualifications for instructors; administering grant programs; annually reporting to the legislature; investigating complaints and imposing disciplinary action; and performing other duties related to the provision of emergency medical services in the state.

**Subd. 4. Employees.** Allows the director to employ personnel in the classified services and unclassified personnel.

**Subd. 5. Work plan.** Requires the director to prepare a work plan to guide the work of the office, and to update the plan every two years.

Effective date: This section is effective January 1, 2025.



**Section Description – Article 63: Office of Emergency Medical Services**

---

**4 Medical Services Division.**

Adds § 144E.015. Creates a Medical Services Division in the Office of Emergency Medical Services, under the direction of a deputy director of medical services appointed by the director. Specifies the deputy director must be a physician licensed under chapter 147. Requires the deputy director to enforce and coordinate laws, rules, and policies assigned by the director, including clinical aspects of prehospital medical care and education programs for emergency medical service personnel.

Effective date: This section is effective January 1, 2025.

**5 Ambulance Services Division.**

Adds § 144E.016. Creates an Ambulance Services Division in the Office of Emergency Medical Services, under the direction of a deputy director of ambulance services appointed by the director. Requires the deputy director to enforce and coordinate laws, rules, and policies assigned by the director, including operating standards and licensing of ambulance services, registration and operation of medical response units, establishing and modifying primary service areas, coordination of ambulance services, and administration of grants.

Effective date: This section is effective January 1, 2025.

**6 Emergency Medical Service Providers Division.**

Adds § 144E.017. Creates an Emergency Medical Service Providers Division in the Office of Emergency Medical Services, under the direction of a deputy director of emergency medical service providers appointed by the director. Requires the deputy director to enforce and coordinate laws, rules, and policies assigned by the director, including certification and registration of emergency medical service providers; overseeing worker safety, well-being, and working conditions; implementing education programs; and administration of grants.

Effective date: This section is effective January 1, 2025.

**7 Emergency Medical Services Advisory Council.**

Adds § 144E.03. Establishes the Emergency Medical Services Advisory Council and specifies its duties.

**Subd. 1. Establishment; members.** Establishes the Emergency Medical Services Advisory Council consisting of one EMT, one paramedic, one medical director of a licensed ambulance service, one firefighter serving as an emergency medical responder (EMR), one flight nurse, one hospital administrator, one social worker, one member of a federally recognized Tribal Nation in Minnesota, three public members, one member with experience working as an employee organization representative, two members representing local government, four members of

**Section Description – Article 63: Office of Emergency Medical Services**

---

the legislature, and the commissioner of health and commissioner of public safety as ex officio members.

**Subd. 2. Legislative members.** Provides for appointment of legislative members to the advisory council and provides for compensation and reimbursement for expenses.

**Subd. 3. Terms, compensation, removal, vacancies, and expiration.** Provides terms (except for initial appointees), compensation, removal of members, and vacancies are governed by section 15.059 (advisory councils and committees). Provides this advisory council does not expire.

**Subd. 4. Officers; meetings.** Requires the advisory council to elect a chair and vice-chair, and allows it to elect other officers as necessary. Requires the advisory council to meet quarterly or at the call of the chair and to comply with the Open Meeting Law.

**Subd. 5. Duties.** Requires the advisory council to make recommendations to the director and deputy director of ambulance services on the regulation of ambulance services and medical response units, the operation of the emergency medical services system in the state, and other topics directed by the director.

Effective date: This section is effective January 1, 2025.

**8 Emergency Medical Services Physician Advisory Council.**

Adds § 144E.035. Establishes an Emergency Medical Services Physician Advisory Council and specifies duties.

**Subd. 1. Establishment; membership.** Establishes the Emergency Medical Services Physician Advisory Council consisting of ten physicians who meet the qualifications in statute for medical directors and the medical director member of the Emergency Medical Services Advisory Council.

**Subd. 2. Terms, compensation, removal, vacancies, and expiration.** Provides terms (except for initial appointees), compensation, removal of members, and vacancies are governed by section 15.059. Provides the advisory council does not expire.

**Subd. 3. Officers; meetings.** Requires the advisory council to elect a chair and vice-chair, and allows it to elect other officers as necessary. Requires the advisory council to meet twice a year or at the call of the chair and to comply with the Open Meeting Law.

**Section Description – Article 63: Office of Emergency Medical Services**

---

**Subd. 4. Duties.** Requires the advisory council to review and make recommendations to the director and deputy director of medical services on clinical aspects of prehospital care and to serve as subject matter aspects of evolving topics in clinical medicine.

Effective date: This section is effective January 1, 2025.

**9 Labor and Emergency Medical Service Providers Advisory Council.**

Adds § 144E.04. Establishes a Labor and Emergency Medical Service Providers Advisory Council and specifies duties.

**Subd. 1. Establishment; membership.** Establishes the Labor and Emergency Medical Service Providers Advisory Council consisting of eight emergency medical service providers of any type, one emergency medical technician instructor, two members with experience working as an employee organization representative, one emergency medical service provider based in a fire department, and one emergency medical service provider not based in a fire department.

**Subd. 2. Terms, compensation, removal, vacancies, and expiration.** Provides terms (except for initial appointees), compensation, removal of members, and vacancies are governed by section 15.059. Provides the advisory council does not expire.

**Subd. 3. Officers; meetings.** Requires the advisory council to elect a chair and vice-chair, and allows it to elect other officers as necessary. Requires the advisory council to meet quarterly or at the call of the chair and to comply with the Open Meeting Law.

**Subd. 4. Duties.** Requires the advisory council to review and make recommendations to the director and deputy director of emergency medical service providers on laws, rules, and policies assigned to the Emergency Medical Service Providers Division and other topics assigned by the director.

Effective date: This section is effective January 1, 2025.

**10 Local government's powers.**

Amends § 144E.16, subd. 5. Transfers duties and authority from the EMS Regulatory Board to the director of the Office of Emergency Medical Services.

Effective date: This section is effective January 1, 2025.

**Section Description – Article 63: Office of Emergency Medical Services**

---

**11 Temporary suspension.**

Amends § 144E.19, subd. 3. Transfers duties and authority from the EMS Regulatory Board to the director of the Office of Emergency Medical Services and makes a conforming change.

Effective date: This section is effective January 1, 2025.

**12 Denial, suspension, revocation.**

Amends § 144E.27, subd. 5. Makes it a ground for disciplinary action if an EMR fails to participate in a health professionals services program or diversion program or comply with program requirements, for individuals unable to practice with reasonable skill and safety due to a physical or mental illness or substance use disorder (a similar ground for disciplinary action in section 214.355 currently applies to ambulance service personnel and emergency medical responders; this act removes ambulance service personnel and EMRs from section 214.355). Also transfers duties and authority from the EMS Regulatory Board to the director of the Office of Emergency Medical Services.

Effective date: This section is effective January 1, 2025.

**13 Denial, suspension, revocation.**

Amends § 144E.28, subd. 5. Transfers duties and authority from the EMS Regulatory Board to the director of the Office of Emergency Medical Services and establishes grounds for disciplinary action related to participation by ambulance service personnel in a health professionals services program or diversion program (a similar ground for disciplinary action in section 214.355 currently applies to ambulance service personnel and emergency medical responders; this act removes ambulance service personnel and EMRs from section 214.355).

Effective date: This section is effective January 1, 2025.

**14 Temporary suspension.**

Amends § 144E.28, subd. 6. Transfers duties and authority from the EMS Regulatory Board to the director of the Office of Emergency Medical Services and makes a conforming change.

Effective date: This section is effective January 1, 2025.

**15 Temporary suspension.**

Amends § 144E.285, subd. 6. Transfers duties and authority from the EMS Regulatory Board to the director of the Office of Emergency Medical Services and makes a conforming change.

**Section Description – Article 63: Office of Emergency Medical Services**

---

Effective date: This section is effective January 1, 2025.

**16 Diversion program.**

Amends § 144E.287. Authorizes the director to conduct a health professionals services program or contract for a diversion program, rather than requiring participation in the health professionals services program for health-related licensing boards under chapter 214.

Effective date: This section is effective January 1, 2025.

**17 Immunity.**

Amends § 144E.305, subd. 3. Makes changes to conform with the transfer of duties and authority from the EMS Regulatory Board to the Office of Emergency Medical Services.

Effective date: This section is effective January 1, 2025.

**18 Initial members and first meeting; Emergency Medical Services Advisory Council.**

Requires initial appointments to the Emergency Medical Services Advisory Council to be made by January 1, 2025, and specifies the terms of initial appointees. Requires the medical director appointee to convene the first meeting of the advisory council by February 1, 2025.

**19 Initial members and first meeting; Emergency Medical Services Physician Advisory Council.**

Requires initial appointments to the Emergency Medical Services Physician Advisory Council to be made by January 1, 2025, and specifies the terms of initial appointees. Requires the medical director appointee to convene the first meeting of the advisory council by February 1, 2025.

**20 Initial members and first meeting; Labor and Emergency Medical Service Providers Advisory Council.**

Requires initial appointments to the Labor and Emergency Medical Service Providers Advisory Council to be made by January 1, 2025, and specifies the terms of initial appointees. Requires the EMT instructor appointee to convene the first meeting by February 1, 2025.

**21 Transition.**

Requires the governor to appoint a director-designee to the office by October 1, 2024, and makes the designee the governor's appointee as director effective January 1, 2025. Effective January 1, 2025, transfers the responsibilities to regulate emergency medical services in the state from the Emergency Medical Services Regulatory Board to the Office of Emergency Medical Services and its director.

**Section Description – Article 63: Office of Emergency Medical Services**

---

Provides a statute on transfers of power among agencies applies to this transfer of responsibilities. Allows the commissioner of administration, with approval of the governor, to issue any needed reorganization orders. Provides a law that allows transfers of responsibilities to be made only to an agency that has been in existence for at least one year does not apply to this transfer.

**22 Revisor instruction.**

Instructs the revisor of statutes to modify terms in Minnesota Statutes consistent with the transfer of duties and authority from the Emergency Medical Services Regulatory Board to the Office of Emergency Medical Services and its director.

**23 Repealer.**

Repeals the following sections effective January 1, 2025:

- 144E.001, subd. 5 (definition of board in chapter 144E);
- 144E.01 (establishing the Emergency Medical Services Regulatory Board);
- 144E.123, subd. 5 (obsolete subdivision on a working group in 2011 and 2012);
- 144E.50, subd. 3 (defining board)

## **Article 64: Emergency Medical Services Conforming Changes**

This article modifies statutes to conform with the Emergency Medical Services Regulatory Board being eliminated and replaced with an Office of Emergency Medical Services headed by a director.

**Section Description – Article 64: Emergency Medical Services Conforming Changes**

---

**1 Agency head salaries.**

Amends § 15A.0815, subd. 2. Adds the director of the Office of Emergency Medical Services to the list of agency heads whose salaries must be determined by the Compensation Council.

Effective date: This section is effective January 1, 2025.

**2 Additional unclassified positions.**

Amends § 43A.08, subd. 1a. Adds the Office of Emergency Medical Services to the list of state departments and agencies authorized to designate unclassified positions.

Effective date: This section is effective January 1, 2025.

**Section Description – Article 64: Emergency Medical Services Conforming Changes**

---

**3 Establishment.**

Amends § 62J.49, subd. 1. Amends a subdivision requiring the establishment of a financial data collection system for ambulance services to conform with the transfer of duties and authority from the Emergency Medical Services Regulatory Board to the Office of Emergency Medical Services and its director.

Effective date: This section is effective January 1, 2025.

**4 Access to reporting system data.**

Amends § 152.126, subd. 6. Amends a subdivision governing access to data in the prescription monitoring program to authorize personnel of the Office of Emergency Medical Services, rather than personnel of the board, to access data to investigate complaints received by the office. Also removes a reference to personnel licensed by the board participating in the health professionals services program.

Effective date: This section is effective January 1, 2025.

**5 Council of Health Boards.**

Amends § 214.025. Removes a representative of the Emergency Medical Services Regulatory Board from the membership of the Council of Health Boards, but allows a representative of the Office of Emergency Medical Services to be a member when the council is reviewing legislative proposals on the regulation of health occupations.

Effective date: This section is effective January 1, 2025.

**6 Performance of executive directors.**

Amends § 214.04, subd. 2a. Removes language permitting the governor to request that the Emergency Medical Services Regulatory Board review the performance of its executive director, to conform with the elimination of the board.

Effective date: This section is effective January 1, 2025.

**7 Program required.**

Amends § 214.29. Removes a requirement that the Emergency Medical Services Regulatory Board either participate in the health professionals services program for personnel regulated by health-related licensing boards or contract for a diversion program.

Effective date: This section is effective January 1, 2025.

**Section Description – Article 64: Emergency Medical Services Conforming Changes**

---

**8 Authority.**

Amends § 214.31. Strikes language permitting the Emergency Medical Services Regulatory Board to participate in the health professionals services program for personnel regulated by health-related licensing boards.

Effective date: This section is effective January 1, 2025.

**9 Grounds for disciplinary action.**

Amends § 214.355. Amends a section governing grounds for disciplinary action for violations related to health professionals services program participation, to conform with the Emergency Medical Services Regulatory Board no longer participating in the health professionals services program for personnel regulated by health-related licensing boards.

Effective date: This section is effective January 1, 2025.

## **Article 65: Ambulance Service Personnel and Emergency Medical Responders**

This article modifies requirements for ambulance staffing and qualifications, training of ambulance service personnel, and education programs for ambulance service personnel and emergency medical responders.

**Section Description – Article 65: Ambulance Service Personnel and Emergency Medical Responders**

---

**1 Ambulance service personnel.**

Amends § 144E.001, subd. 3a. In the definition of ambulance service personnel, amends the qualification requirements for registered nurses and physician assistants who may provide emergency care for an ambulance service. Instead of being required to pass a paramedic practical skills test approved by the board, requires registered nurses and physician assistants to have been approved by the ambulance service medical director to provide emergency care for the ambulance service. Also allows registered nurses certified as a certified flight registered nurse or certified emergency nurse to provide emergency care for the ambulance service.

**2 Basic life support.**

Amends § 144E.101, subd. 6. Modifies staffing requirements for basic life support ambulance services, to require a basic life support ambulance to be staffed by at least: (1) one individual who is an EMT, registered nurse, or physician assistant; and (2) one individual to drive the ambulance who: (i) either holds one of these



**Description – Article 65: Ambulance Service Personnel and Emergency Medical  
Section Responders**

---

qualifications or is an emergency medical responder driver; (ii) holds a valid driver's license; and (iii) attended an emergency vehicle driving course. Strikes a paragraph on alternative staffing for ambulances that applies to ambulance services operating in rural areas of the state; a modified version of these staffing requirements applies to all basic life support ambulances under paragraph (a).

**3 Variance; staffing of basic life-support ambulance.**

Adds subd. 6a to § 144E.101. Upon application from an ambulance service that includes evidence demonstrating hardship, allows the EMS Regulatory Board to grant a variance and permit a basic life support ambulance to be staffed with: (1) one individual who is an EMT, a registered nurse who meets the qualification requirements to staff an ambulance, or a physician assistant who meets the qualification requirements to staff an ambulance; and (2) one individual to drive the ambulance who holds a valid driver's license, has attended an emergency vehicle driving course, completed a CPR course, and registered with the board. Allows the board to prohibit an individual from driving an ambulance, or place conditions on an individual's ability to drive an ambulance, under this subdivision for acts that are grounds for disciplinary action.

**4 Advanced life support.**

Amends § 144E.101, subd. 7. Modifies the qualification requirements for registered nurses and physician assistants authorized to staff an advanced life support ambulance, to require registered nurses and physician assistants to have been approved by the ambulance service's medical director, instead of passing a paramedic practical skills test approved by the board. Also specifies a registered nurse may staff an advanced life support ambulance if the registered nurse is certified as a certified flight registered nurse or certified emergency nurse. Removes language limiting authority to seek a variance for alternative staffing of advanced life support ambulances to ambulance services operating in certain rural areas, allowing any advanced life support ambulance to seek a variance and, if approved, be staffed in compliance with the alternative staffing. Requires an individual who staffs an advanced life support ambulance as a driver to also hold a valid driver's license and have attended an emergency vehicle driving course.

**5 Renewal.**

Amends § 144E.27, subd. 3. For the board to renew a registration or renew a lapsed registration of an emergency medical responder, requires the emergency medical responder (EMR) to complete a CPR course approved by the ambulance service's medical director and specifies the CPR course may be part of a board-approved refresher course. Extends the time within which the board may renew a lapsed

**Description – Article 65: Ambulance Service Personnel and Emergency Medical  
Section Responders**

---

- registration, from 12 months after the registration expires to 48 months after the registration expires.
- 6     **Denial, suspension, revocation; emergency medical responders and drivers.**  
Amends § 144E.27, subd. 5. Specifies this subdivision, listing grounds for disciplinary action and providing a process for imposing discipline, applies to emergency medical responders and to individuals seeking registration or registered as a driver of a basic life support ambulance.
- 7     **Temporary suspension; emergency medical responders and drivers.**  
Amends § 144E.27, subd. 6. Specifies this subdivision, which allows the board to temporarily suspend a registration, applies to emergency medical responders and to individuals registered as a driver of a basic life support ambulance.
- 8     **Reciprocity.**  
Amends § 144E.28, subd. 3. Corrects a term referring to the credential an EMT receives from the National Registry of Emergency Medical Technicians, from registration to certification.
- 9     **Reinstatement.**  
Amends § 144E.28, subd. 8. In a subdivision governing reinstatement of a lapsed EMT, AEMT, paramedic, or community paramedic certification, requires community paramedics to complete training equivalent to the continuing education required for community paramedics in order to have a certification reinstated. Also allows the board, between July 1, 2024, and December 31, 2025, to reinstate an EMT, AEMT, paramedic, or community paramedic certification if the certification lapsed more than four years ago but less than ten years ago, and if the listed requirements are met. (Under current law an individual must complete the initial certification process if more than four years passed since the individual’s certification expired.)
- 10    **Approval required.**  
Amends § 144E.285, subd. 1. Requires education programs for EMRs to be approved by the board (this requirement is currently in section 144E.27, subdivision 1a, and that subdivision is being repealed in this act). Modifies the information that must be included in an application to the board for approval of an EMR, EMT, AEMT, or paramedic education program and eliminates certain criteria an education program must meet to be approved by the board (some of these requirements apply only to certain education programs and are being moved to subsequent subdivisions).

**Description – Article 65: Ambulance Service Personnel and Emergency Medical  
Section Responders**

---

- 11 EMR education program requirements.**  
Adds subd. 1a to § 144E.285. States the National EMS Education Standards specify the minimum knowledge and skills required for EMRs. Requires an EMR education program to meet the education program requirements in subdivision 1, para. (b), that apply to all education programs, and allows a medical director of an EMR group to establish additional knowledge and skill requirements for EMRs.
- 12 EMT education program requirements.**  
Adds subd. 1b to § 144E.285. In addition to the requirements in subdivision 1, para. (b), that apply to all education programs, requires an education program applying for approval to teach EMTs to include in the application, the names and addresses of clinical sites; to maintain a written agreement with at least one clinical training site of a type recognized by the National EMS Education Standards; and to maintain a minimum average yearly pass rate set by the board.
- 13 AEMT and paramedic education program requirements.**  
Amends § 144E.285, subd. 2. In addition to the requirements in subdivision 1, para. (b), that apply to all education programs, requires an education program applying for approval to teach AEMTs and paramedics to include in the application, the names and addresses of clinical training sites, and to maintain a written agreement with a licensed hospital or licensed ambulance service designating a clinical training site. Strikes a paragraph exempting from this subdivision, a paramedic education program operated by an advanced life support ambulance service that received approval from the commissioner of health before 1991 to operate the paramedic education program.
- 14 Reapproval.**  
Amends § 144E.285, subd. 4. Changes the timeline within which an education program must apply for reapproval, from within three months before the expiration date of its approval to within 30 days before the expiration date of its approval. Requires an education program seeking reapproval to be subject to a site visit by the board, comply with the applicable education program requirements, and, for AEMT and paramedic education programs, maintain accreditation with the Commission of Accreditation of Allied Health Education Programs (CAAHEP).
- 15 Repealer.**  
Repeals § 144E.27, subs. 1 (requiring an education program instructor to be an EMR, EMT, AEMT, paramedic, physician, physician assistant, or registered nurse) and 1a (requiring education programs for EMRs to be approved by the board and listing requirements for EMR education programs).

## Article 66: Miscellaneous

This article establishes requirements for conducting performance measures for certain grants, modifies the Minnesota Health Records Act, and requests that proponents of bills appropriating money to the University of Minnesota for its health sciences schools and colleges provide certain information to the legislature. It also directs the commissioner of health to provide recommendations on establishing a health care workforce advisory council and to conduct a request for information to inform a future evaluation of statewide health care needs and capacity. The article also modifies the Department of Human Services (DHS) projects for transition from homelessness program; clarifies determinations for health-related licensing board background studies; requires the commissioner of human services to consult with the commissioner of management and budget for grant revisions and evaluation; modifies DHS report requirements; exempts a 2023 requirement to conduct actuarial and economic analyses for a public option from state procurement requirements; and makes technical and clarifying changes.

### Section Description – Article 66: Miscellaneous

---

- 1 Program evaluation and organizational development services.**  
Amends § 16A.55, subd. 1a. Modifies a headnote in a section specifying duties of the commissioner of management and budget.
- 2 Consultation to develop performance measures for grants.**  
Adds subd. 1b to § 16A.055. Requires the commissioner of management and budget, in consultation with the listed commissioners, to develop an ongoing consultation schedule to create, review, and revise performance measures for state-funded grants of at least \$1,000,000 per year, and requires the commissioner of management and budget and the commissioner of the administering agency to conduct a grant program consultation according to the consultation schedule.
- 3 Evidence in support of appropriation.**  
Adds § 137.095. Before introducing a bill to appropriate money to the University of Minnesota to benefit its health sciences schools and colleges, requests that the proponents of the bill submit a report to the chairs and ranking minority members of the higher education, health, and human services committees in the legislature containing the listed information on the bill. Allows the chair of a standing committee to request and obtain a report submitted under this section from the chair of the health, human services, or higher education committee.
- 4 Grant consultation.**  
Adds subd. 2a to § 142A.03. Requires the commissioner of children, youth, and families to consult with the commissioner of management and budget to create, review, and revise grant program performance measures and evaluate grant programs that the commissioner of children, youth, and families administers.

**Section Description – Article 66: Miscellaneous**

---

**5 Grant consultation.**

Adds subd. 8 to § 144.05. Requires the commissioner of health to consult with the commissioner of management and budget to create, review, and revise grant program performance measures and evaluate grant programs that the commissioner of health administers.

**6 Cost.**

Amends § 144.292, subd. 6. Replaces the per-page and retrieval cost maximum charges a health care provider may charge a patient for copies of paper health records with new amounts, establishes maximum charges for copies of x-rays, establishes retrieval cost maximum charges for electronic copies of health records, and deletes the requirement that these charges must be adjusted annually based on the change in the Consumer Price Index. Also prohibits a provider from charging a fee for copies of x-rays to a patient appealing a denial of Social Security disability income or Social Security disability benefits, and clarifies the prohibition on providers charging any fees for copies of health records for a patient appealing a denial of Social Security disability income or Social Security disability benefits if the patient is receiving public assistance, represented by a civil legal services program, or represented by a volunteer attorney based on indigency.

Effective date: This section is effective January 1, 2025.

**7 Construction.**

Adds § 144.2925. Provides that sections 144.291 to 144.298 (the Minnesota Health Records Act) must be construed to protect the privacy of patient health records in a more stringent manner than the federal HIPAA security and privacy rules. Defines “more stringent” by reference to the definition of that term in federal rules.

Effective date: This section is effective the day following final enactment.

**8 Patient consent to release of records.**

Amends § 144.293, subd. 2. Modifies a subdivision authorizing the release of patient health records in certain circumstances, to specify a provider or a person who receives health records from a provider and does not have patient consent to release a patient’s health records, may not release a patient’s health records without specific authorization in Minnesota law. (Currently this subdivision provides in part that a patient’s health records may not be released without specific authorization in law, and authorization in law has been interpreted to mean authorization in state or federal law.)

Effective date: This section is effective the day following final enactment and applies to health records released on or after that date.

**Section Description – Article 66: Miscellaneous**

---

**9 Duration of consent.**

Amends § 144.293, subd. 4. Specifies the duration of a consent to the release of health records is governed by Minnesota law, for consents for which Minnesota law specifies a duration.

Effective date: This section is effective the day following final enactment and applies to health records released on or after that date.

**10 Documentation of release.**

Amends § 144.293, subd. 9. Amends a subdivision establishing requirements for documenting provider releases of health records without patient consent to conform with the amendment to section 144.293, subd. 2.

Effective date: This section is effective the day following final enactment and applies to health records released on or after that date.

**11 Warranties regarding consents, requests, and disclosures.**

Amends § 144.293, subd. 10. Amends a subdivision establishing requirements for requesting a patient’s consent to the release of health records to conform with the amendment to section 144.293, subd. 2.

Effective date: This section is effective the day following final enactment and applies to health records released on or after that date.

**12 Establishment.**

Amends § 245.991, subd. 1. Expands the projects for assistance in transition from homelessness program to include people with substance use disorder.

**13 Board determines disciplinary or corrective action.**

Amends § 245C.31, subd. 1. Clarifies that an individual’s health-related licensing board makes decisions regarding background study disqualification, rather than the commissioner of human services, except for a study related to child foster care, adult foster care, or family child care licensure.

**14 Grant consultation.**

Amends § 256.01 by adding subd. 2c. Requires the commissioner of human services to consult with the commissioner of management and budget to create, review, and revise grant program performance measures and evaluate DHS grant programs.

**Section Description – Article 66: Miscellaneous**

---

- 15      **Reports on interagency agreements and intra-agency transfers.**  
Amends § 256.01, subd. 41. Modifies frequency of reports on interagency agreements and intra-agency transfers from quarterly to annually; provides December 31, 2034, expiration date.
- 16      **Maternal and infant health report.**  
Amends § 256B.795. Provides December 31, 2034, expiration date for the DHS maternal infant health report.
- 17      **Homeless youth report.**  
Amends § 256K.45, subd. 2. Makes technical changes; provides December 31, 2034, expiration date for the homeless youth report.
- 18      **Missing child notification.**  
Amends § 260.761 by adding subd. 8. Adds requirement for a child-placing agency or individual petitioner to notify an Indian child’s Tribe or Tribes immediately (within 24 hours) after receiving information on a missing child.
- 19      **Central Office; Health Care.**  
Makes technical correction to DHS children and families appropriations in H.F. 5237, article 22, specifying onetime appropriation for fiscal year 2025.
- 20      **Central Office; Behavioral Health, Deaf and Hard-of-Hearing, and Housing Services.**  
Makes technical correction to DHS children and families appropriation in H.F. 5237, article 22, specifying onetime appropriation for fiscal year 2025.
- 21      **Annual report to legislature; use of appropriation funds.**  
By January 15, 2025, and annually thereafter, requires the Board of Regents of the University of Minnesota to report to the chairs and ranking minority members of the higher education, health, and human services committees on the use of all appropriations for the benefit of the University of Minnesota’s health sciences schools and colleges.
- 22      **Direction to commissioner of health; health professions workforce advisory council.**  
Directs the commissioner of health, in consultation with the University of Minnesota and the Minnesota State HealthForce Center of Excellence, to provide recommendations to the legislature on creating a health professions workforce advisory council. Lists proposed duties for the advisory council. Requires the commissioner to report by February 1, 2025, to the chairs and ranking minority members of the health, human services, and higher education committees in the legislature, with recommendations for advisory council membership, funding sources, estimated costs, existing data sources, the need for new data sources,

**Section Description – Article 66: Miscellaneous**

---

additional duties, proposed legislation, similar advisory councils in other states, and reporting requirements.

**23 Request for information; evaluation of statewide health care needs and capacity and projections for future health care needs.**

Requires the commissioner of health, by November 1, 2024, to publish a request for information (RFI) for a future comprehensive evaluation of current health care needs and capacity in the state and projections of future health care needs and capacity. Requires the RFI to provide guidance on defining the scope of the study and help in answering methodological questions, and allows it to address other topics. Requires the commissioner to report to the chairs and ranking minority members of the health care committees in the legislature with results of the RFI and recommendations for the evaluation.

**24 Exemption.**

Provides the actuarial and economic analyses that must be performed in order to submit a 1332 waiver for a Minnesota public option health plan and that were authorized in Laws 2023, chapter 70, are exempt from the requirements in chapter 16C (requirements for state procurement).

Effective date: This section is effective retroactively from July 1, 2023.

## **Article 67: Appropriations**

This article appropriates money in fiscal years 2024 and 2025 from the named funds to the commissioner of human services, commissioner of health, Board of Pharmacy, Rare Disease Advisory Council, commissioner of management and budget, Board of Directors of MNsure, commissioner of commerce, and attorney general, for the purposes specified in the article. It also authorizes a transfer from the premium security plan account in fiscal year 2026, cancels certain appropriations, and amends appropriations and riders in Laws 2023, chapters 22 and 70.

## **Article 68: Individual Income Taxes**

This article establishes a “minimum credit” for the Minnesota child credit. The credit would be available to taxpayers who elected to receive an advance payment for the taxable year, and whose incomes were below the point at which the credit would be fully phased out. Based on the February forecast, for tax year 2025 the minimum credit would be available to taxpayers with incomes below the following amounts.



Number of Young Children	Incomes Below Which Taxpayer is Eligible for Minimum Credit	
	Unmarried Taxpayers	Married Joint Taxpayers
1	\$49,680	\$55,640
2	\$64,263	\$70,223
3	\$78,847	\$84,807
4	\$93,430	\$99,390

**Section Description – Article 68: Individual Income Taxes**

- 1 **Generally; individuals. (Child credit requirement to file a return)**  
Requires taxpayers who elected to receive an advance child credit payment to file an income tax return for the taxable year.  
  
Effective for tax year 2025 and later.
- 2 **Phaseout.**  
Specifies that the child and working family credit phaseouts do not apply to the minimum credit.  
  
Effective for tax year 2025 and later.
- 3 **Advance payment of credits. (Child credit)**  
Requires the Department of Revenue (DOR) to offer advance payments of the child credit—under current law the authority to offer advance payments is permissive rather than mandatory.  
  
Effective for tax year 2025 and later.
- 4 **Minimum credit. (Child credit)**  
Provides a "minimum credit" amount to taxpayers who elected to receive the advance payment and whose incomes were low enough that they were not fully phased out of the credit (estimated incomes are described in the table above). The minimum credit would equal 50 percent of the taxpayer's credit in the previous year. If the number of the taxpayer's qualifying children decreased from year to year, the minimum credit amount would decrease proportionally based on the percentage of the taxpayer's qualifying children that remain.  
  
Effective for tax year 2025 and later.

## Article 69: Minerals Taxes

### Section Description – Article 69: Minerals Taxes

---

1 **Definitions.**

Conforming change related to the renaming of the Iron Range school consolidation and cooperatively operated school account to the Iron Range school and community development account.

Effective the day following final enactment.

2 **Reduction amount.**

Increases the maximum taconite homestead credit to \$515. Under current law, the credit is available to homesteads within the taconite relief area and is funded by taconite production tax revenues. For certain areas within the taconite relief area, the credit is equal to 66 percent of the tax due, up to a maximum amount of \$315.10. For other areas within the taconite relief area, the credit is equal to 57 percent of the tax due, up to a maximum amount of \$289.80. This act would increase both maximum amounts to \$515.

Effective beginning with property taxes payable in 2025.

3 **Notice of proposed taxes; property subject to chapter 276A.**

Changes the proposed property tax statement for commercial-industrial property within the boundaries of the Iron Range fiscal disparities program. The tax amount for each jurisdiction shown on the statement would be equal to the property's net tax capacity multiplied by the jurisdiction's rate. This would be the amount paid to each jurisdiction, absent of the fiscal disparities program. An additional line shown as the "fiscal disparities adjustment" will be equal to the total tax applied to the property minus the sum of the tax amounts shown for each jurisdiction. This value represents the impact of the fiscal disparities program on the overall tax paid by the property. For some properties, this value will be positive, for others it will be negative.

Effective beginning with proposed notices for property taxes payable in 2025.

4 **Contents of tax statements; property subject to chapter 276A.**

Changes the property tax statement for commercial-industrial property within the boundaries of the Iron Range fiscal disparities program in the same manner that the proposed property tax statement is changed in the previous section.

Effective beginning with proposed notices for property taxes payable in 2025.

**Section Description – Article 69: Minerals Taxes**

---

**5 School fund allocation.**

Conforming change related to the renaming of the Iron Range school consolidation and cooperatively operated school account to the Iron Range school and community development account.

Effective the day following final enactment.

**6 Certification of values; payment.**

Conforming change related to the renaming of the Iron Range school consolidation and cooperatively operated school account to the Iron Range school and community development account.

Effective the day following final enactment.

**7 Within taconite assistance area.**

Clarifies that the redirection of ten percent of the gross proceeds tax to Aurora, Babbit, Ely, Hoyt Lakes, Biwabik, and Embarrass Township for the first five years that distributions of the tax are made only applies to distribution of taxes paid by a mining operation located within the taconite assistance area, as it was defined prior to the changes to that definition that were enacted in 2023.

Effective beginning with the 2025 distribution.

**8 Occupation taxes to be apportioned.**

Conforming change related to the renaming of the Iron Range school consolidation and cooperatively operated school account to the Iron Range school and community development account.

Effective the day following final enactment.

**9 Establishment.**

Allows scholarships from a county's scholarship fund to be used at an accredited skilled trades program within the county in addition to a two-year Minnesota State College and Universities institution.

Effective the day following final enactment.

**10 Iron Range school and community development account.**

Renames the Iron Range school consolidation and cooperatively operated school account to the Iron Range school and community development account.

Effective the day following final enactment.

**Section Description – Article 69: Minerals Taxes**

---

- 11 Range Association of Municipalities and Schools.**  
Increases the taconite production tax distribution to the Range Association of Municipalities and Schools (RAMS) to 0.5 cents per taxable ton.  
  
Effective beginning with the 2024 distribution.
- 12 Transfer.**  
Conforming change related to the renaming of the Iron Range school consolidation and cooperatively operated school account to the Iron Range school and community development account.  
  
Effective the day following final enactment.
- 13 Distribution of taconite municipal aid account.**  
Increases from \$15,000 to \$25,000 the amount of the taconite production tax distribution to the taconite municipal aid account that is annually distributed to Breitung Township.  
  
Effective beginning with the 2024 distribution.
- 14 Use of money.**  
Clarifies that the Douglas J. Johnson economic protection trust fund may be used to fund reserve accounts to secure payments of bonds authorized to be repaid from the Iron Range consolidation and cooperatively operated school account.  
  
Effective the day following final enactment.
- 15 Iron Range resources and rehabilitation commissioner; bonds authorized in 2024.**  
Requires the commissioner of Iron Range resources and rehabilitation to issue up to \$49,000,000 in bonds by March 31, 2025, to fund grants for a variety of projects. The bond payments would be made from taconite production tax distributions to the Iron Range consolidation and cooperatively operated school account.  
  
Effective the day following final enactment and applies beginning with the 2024 distribution.
- 16 Iron Range resources and rehabilitation commissioner; bonds authorized in 2025.**  
Requires the commissioner of Iron Range resources and rehabilitation to issue up to \$31,000,000 in bonds in 2025 to fund grants for a variety of projects. The bond payments would be made from taconite production tax distributions to the Iron Range consolidation and cooperatively operated school account.

**Section Description – Article 69: Minerals Taxes**

---

Effective the day following final enactment and applies beginning with the 2025 distribution.

**17 Transfer 2024 distribution only; taconite economic development fund.**

Provides a onetime transfer of \$300,000 from the 2024 distribution to the taconite economic development fund to the city of Chisholm for the Senator David Tomassoni Bridge of Peace.

Effective the day following final enactment.

## **Article 70: Tax-Forfeited Property**

**Section Description – Article 70: Tax-Forfeited Property**

---

**1 Transfer; housing support.**

Creates an annual transfer of \$450,000 from the general fund to the newly established housing support account.

**2 List and notice.**

Adds to the notice of delinquency information about property tax relief programs.

**3 Form.**

Adds text to the notice of expiration of redemption notifying recipients that if their property forfeits, it will be sold, and they may be entitled to excess proceeds from the sale.

**4 Tax-forfeited land; initial sale.**

**Subd. 1. Public auction required.** Requires the sale at a public auction of all tax-forfeited land upon forfeiture, except that mineral interests are reserved for the state under subdivision 8, and any parcel withdrawn from sale by the commissioner of natural resources must not be sold. If a property cannot be sold for more than the sum of delinquent taxes plus associated costs and penalties, the county may dispose of the property as otherwise allowed by statute.

**Subd. 2. Definitions.** Defines the terms interested party, mineral interest, and minimum bid. The interested party means any party with an interest in the property, including property owners, vendees, mortgagees, lienholders, escrow agents, and lessees of real property. Any interested party may file a claim for excess proceeds from a sale of tax-forfeited property. Minimum bid means the

**Section Description – Article 70: Tax-Forfeited Property**

---

sum of delinquent taxes, special assessments, penalties, interest, and costs assigned to the parcel.

**Subd. 3. Repurchase.** Allows an interested party to repurchase a property that has been forfeited by paying all delinquent taxes, special assessments, penalties interest, and costs, prior to the actual sale of the property.

**Subd. 4. Public auction.** Requires the sale of tax-forfeited land to occur at a public auction. The sale must occur within six months of the expiration of the period of redemption. Notice of the sale must be provided by website publication at least 30 days before the sale. At auction, the county auditor must calculate and make available the minimum bid and the initial price, which is the estimated market value of the property. For 30 days after the property is made available, the property must not be sold for less than the initial price. After 30 days, the price must be reduced to the minimum bid. If no buyer is willing to pay the minimum bid, the parcels are disposed of as otherwise allowed by statute.

**Subd. 5. Sale proceeds.** States that from the proceeds of any sale, the minimum bid must be deposited in a county's forfeited tax sale fund and any excess proceeds must be made available for claims by interested parties.

**Subd. 6. Claims for surplus proceeds.** Allows an interested party to submit a claim for surplus proceeds from the sale of a tax-forfeited parcel under this section. After the sale, the county auditor has 60 days to notify the parties that the sale resulted in a surplus. Interested parties have six months to submit a claim for the proceeds.

If a county auditor disputes a claim, or if there is a dispute as to how to divide the surplus among multiple claimants, the county auditor may file a petition asking the court to determine claimants' rights to the surplus.

**Subd. 7. Manner of service.** Creates the method by which counties must notify interested parties of a surplus and the parties' entitlement to potential proceeds. Notice must be sent by certified mail and published on the county's website within 60 days of the sale. A second notice must be sent by first class mail if no claim has been filed within 90-120 days of the sale. Unless the property is vacant, notice must also be provided to the occupants of the property.

**Subd. 8. Claims for mineral interests; payment; appropriation.** Provides that mineral interests are sold to the state for \$50 upon forfeiture. The county auditor must provide notice to interested parties of this sale and the parties' entitlement to potential proceeds. Interested parties have six months to submit a claim and

**Section Description – Article 70: Tax-Forfeited Property**

---

may submit a claim alleging that the value of the mineral interests exceeds the minimum bid.

If a claimant submits a claim related to mineral interests, the commissioner of natural resources must determine the value of the forfeited interests. If the value exceeds the minimum bid, the commissioner of natural resources must pay the claimant the excess amount. The amount necessary to make these payments is annually appropriated from the general fund.

If a county auditor disputes a claim, or if there is a dispute as to how to divide the payment among multiple claimants, the county auditor may file a petition asking the court to determine claimants' rights to the surplus.

**Subd. 9. Expiration of surplus.** Returns surplus proceeds to a county's forfeited tax sale fund if no claim for surplus proceeds is made within the allowed time, or if no claimant was determined to be eligible for the proceeds.

**Subd. 10. Rights affected by forfeiture.** States that forfeiture of a property extinguishes all liens, claims, and encumbrances other than the rights of interested parties to surplus proceeds under the section, rights of redemption under federal law, easements and rights-of-way holders who are not interested parties, and benefits or burdens of any real covenants filed as of the date of forfeiture.

**Subd. 11. Property bought by the state.** Requires tax-forfeited property acquired by the state to be held in trust for the benefit of the taxing jurisdictions.

5 **Land withdrawn from initial sale.**

Allows the commissioner of natural resources to withdraw a tax-forfeited property from the public auction required in section 4 if the land:

- is within the boundaries of a state park;
- is within the boundaries of a state recreation area;
- is adjacent to public waters; or
- has been designated a mining unit.

Land withheld or withdrawn from sale under this section must be condemned by the commissioner. The commissioner must then commence proceedings used for eminent domain to determine the amount of proceeds due for the taking of land under this section. These proceeds are returned to the county and distributed in the same manner as proceeds from the public auction required under section 4.

**Section Description – Article 70: Tax-Forfeited Property**

---

- 6        **Duties of commissioner after sale.**  
Updates a cross-reference to include the changes in sections 4 and 5.
- 7        **Repurchase requirements.**  
Requires any repurchase of tax forfeited land be made prior to the public sale required under section 4.
- 8        **Receipts for payments; certification by county auditor.**  
Updates a cross-reference to include changes in section 4.
- 9        **Housing support account.**  
Establishes the housing support account in the special revenue fund for the deposit of appropriations established in section 1. Money appropriated from the account must be used to provide housing support in Minnesota.
- 10       **Requirements of participating counties.**  
Amends Laws 2024, chapter 113, the property tax forfeiture settlement appropriation, to require that any property that forfeited prior to 2024 that is a residential property or a vacant property must first be offered for sale to persons who intend to own and occupy the property as a residence or who intend to use the property for noncommercial personal use. This section also requires sales under that chapter be advertised for 30 days by publication in newspapers, websites, and other forums that serve diverse communities in the county where the property is located.
- 11       **Department of Natural Resources; appropriation.**  
Appropriates \$1,537,000 in fiscal year 2025 to the commissioner of natural resources to perform the duties required under section 2 and sets the base for this appropriation at the same amount for fiscal years 2026 and thereafter.
- 12       **Effective date.**  
Sets effective dates for certain sections in this article.

**Article 71: Miscellaneous Tax Provisions**

**Section Description – Article 71: Miscellaneous Tax Provisions**

---

- 1        **Taxpayer assistance grants; tax credit outreach grants.**  
Defines “eligible credit” as a credit, refund, or other tax preference targeting low-income taxpayers.



**Section Description – Article 71: Miscellaneous Tax Provisions**

---

Defines “tax outreach organization” as a nonprofit organization or federally recognized Indian Tribe with experience serving demographic groups or geographic regions that have historically had low rates of participation in eligible credits.

Defines “taxpayer assistance organization” as accounting and tax preparation services provided by volunteers to low-income, elderly, and disadvantaged Minnesota residents.

Defines “volunteer taxpayer assistance organization” as an organization eligible for Volunteer Income Tax Assistance (VITA) matching grants under federal law.

Requires DOR to regularly make grants to taxpayer assistance organizations and tax outreach organizations.

Effective the day following final enactment.

**2 Moist snuff.**

Modifies the definition of “moist snuff” in the tobacco taxation chapter to include products containing nicotine.

Effective July 1, 2024.

**3 Tobacco products.**

Modifies the definition of “tobacco products” in the tobacco taxation chapter to include moist snuff, which would now include products similar to moist snuff that contain nicotine, as amended in section 2 of this article.

Effective July 1, 2024.

**4 Appropriation; tax credit outreach grants; taxpayer assistance grants.**

Appropriates \$1,000,000 in fiscal year 2025 to DOR for tax credit outreach grants. The base for the appropriation is \$500,000 in both fiscal year 2026 and fiscal year 2027.

Appropriates \$1,000,000 in fiscal year 2025 to DOR for taxpayer assistance grants. The base for the appropriation is \$500,000 in both fiscal year 2026 and fiscal year 2027.

**5 Department of Revenue; administrative appropriation.**

Appropriates \$4,000,000 to DOR to administer the act.

## Article 72: Employee Compensation

Makes various changes to the existing requirements for review, approval, and submission of state employee compensation plans and salaries to the legislature and Legislative Coordinating Commission (LCC). Takes effect July 1, 2024, by law.

### Section Description – Article 72: Employee Compensation

---

- 1 State employee compensation.**  
Removes legislative approval and interim LCC approval provisions for the commissioner’s plan, managerial plan, State Board of Investment plan, and other specified plans not established by the MMB commissioner, as well as salary ranges for MinnState officials. Instead, MMB and MinnState must submit these compensation plans or salaries to the LCC, and may implement them upon submission.
- 2 Other salary and compensation plan.**  
Removes LCC review, rejection, or approval of the commissioner’s plan, managerial plan, Board of Trustees of MinnState plan, State Board of Investment plan, and other specified plans not established by the MMB commissioner, as well as salary ranges for MinnState officials. Retains LCC review, approval, or rejection of the plan for classified employees of the legislative auditor.
- 3 Information required; collective bargaining agreements, memoranda of understanding, and interest arbitration awards.**  
Adds references to “compensation plan” or “plan” under existing requirements for information that must be submitted to the LCC.
- 4 Commissioner’s plan.**  
Makes conforming change with section 2 to remove LCC approval of the commissioner’s plan before it becomes effective. Retains submission of the plan to the LCC.
- 5 Commissioner’s plan.**  
Makes conforming change with section 2 to remove LCC approval, rejection, or modification of the commissioner’s plan. Retains review of the plan by the LCC.
- 6 Managerial plan.**  
Makes conforming change with section 2 to remove LCC approval, rejection, or modification of the managerial plan. Requires submission of the plan to the LCC.
- 7 Summary information on website.**  
Removes requirement for MMB to post a summary of any proposed collective bargaining agreement, arbitration award, or compensation plan on a state website

**Section Description – Article 72: Employee Compensation**

---

before submitting it to the LCC. Retains requirement for MMB to post a summary for plans covering MinnState employees and for executive branch compensation plans that must be submitted to the LCC.

**8 Repealer.**

Repeals section 3.855, subdivision 5, which required MMB to provide certain information to the LCC related to compensation plans for unrepresented state employees, including the commissioner’s plan, managerial plan, State Board of Investment plan, and other specified plans not established by the MMB commissioner, as well as salary ranges for MinnState officials.

## **Article 73: Paid Leave**

Makes various technical, clarifying, and substantive changes to paid family and medical leave benefits under chapter 268B.

**Section Description – Article 73: Paid Leave**

---

**1 Citation.**

Provides citation for chapter 268B as the Minnesota Paid Leave Law.

Effective May 25, 2024.

**2 Applicant.**

Modifies definition of “applicant” for benefits under the Minnesota Paid Leave Law to include an authorized representative of the individual.

Effective May 25, 2024.

**3 Authorized representative.**

Defines an “authorized representative” as an individual over age 18 designated to act on another’s behalf for the purposes of the Minnesota Paid Leave Law.

Effective May 25, 2024.

**4 Base period.**

Modifies definition of “base period” to add clarity and specifies that the base period is calculated once in a benefit year.

Effective May 25, 2024.

**Section Description – Article 73: Paid Leave**

---

- 5      **Benefit year.**  
Modifies definition of “benefit year” to be the 52 (or 53) calendar weeks starting the effective date of leave. Adds clarification for individuals with multiple employers.  
  
Effective May 25, 2024.
- 6      **Covered employment.**  
Modifies definition of “covered employment” to clarify percentage of work in Minnesota requirement and adds option for excluded entities to opt into paid leave coverage. Authorizes the commissioner of DEED to adopt rules under chapter 14 to define and establish criteria for other work performed in Minnesota.  
  
Effective May 25, 2024.
- 7      **Covered individual.**  
Adds definition of “covered individual” as an applicant who meets financial eligibility requirements in covered employment or a self-employed or independent contractor who opts into paid leave coverage.  
  
Effective May 25, 2024.
- 8      **Effective date of application.**  
Adds definition of “effective date of application” as the date of application submission to DEED.  
  
Effective May 25, 2024.
- 9      **Effective date of leave.**  
Adds definition of “effective date of leave” as the first day of absence for paid leave.  
  
Effective May 25, 2024.
- 10     **Family member.**  
Modifies definition of “family member” to include a domestic partner’s child, a de facto custodian, and an individual in a personal relationship with an applicant who provides care without compensation. Makes other clarifying language changes.  
  
Effective May 25, 2024.

**Section Description – Article 73: Paid Leave**

---

**11 Financially eligible.**

Adds definition of “financially eligible” to mean an applicant who earns at least 5.3 percent of state’s average annual wage rounded down to the next lower \$100 (\$3,600 for 2024) in covered employment during their base period.

Effective May 25, 2024.

**12 Initial paid week.**

Adds definition of “initial paid week” as the first seven days of leave which are payable and must be paid retroactively once an applicant meets the seven-day qualifying event requirement. Clarifies application to intermittent leave.

Effective May 25, 2024.

**13 Typical workweek.**

Modifies definition of “typical workweek” to mean an employee’s average number of hours per week in the last two quarters before submitting an application for benefits.

Effective May 25, 2024.

**14 Financial eligibility; benefits.**

Adds clarity and specificity to the commissioner’s review and determination of an applicant’s financial eligibility for, and calculation of, paid leave benefits under section 268B.04. Makes consistent terminology and technical changes throughout.

- Subdivision 1 requires the commissioner to review and determine financial eligibility, specify a timeline for an applicant to submit all requested information, and notify any employer within five days of an application for benefits. Allows reconsideration within 12 months of leave and requires notice to any impacted base period employers.
- Subdivision 3 clarifies how weekly benefit amounts are calculated for applicants who change employers in a base period and makes technical language clarifications.
- Subdivision 5 makes technical language modifications.
- Subdivision 6 removes existing language for minimum benefit duration.
- New subdivision 6a sets the minimum increment of paid leave as no more than one day, based on an employer’s established policy. Adds clarity around a minimum increment of leave for intermittent leave.
- Removes subdivision 7 on the right to appeal. A new comprehensive appeals section is added in section 268B.081.

**Section Description – Article 73: Paid Leave**

---

- Subdivision 8 adds language allowing the commissioner to backdate a paid leave claim if the application was untimely due to incapacitation or no fault of the applicant.

Effective November 1, 2025.

**15 Seven-day qualifying event.**

Clarifies that the seven-day qualifying event is paid retroactively, and not an unpaid waiting period.

Effective November 1, 2025.

**16 Certification.**

Clarifies certification requirement for safety leave and authorizes the commissioner of DEED to adopt rules regarding safety leave.

Effective November 1, 2025.

**17 Not eligible.**

Makes an applicant ineligible for paid leave benefits for any week they are incarcerated or receiving unemployment benefits.

Effective November 1, 2025.

**18 Vacation, sick leave, and paid time off.**

Clarifies how an employee's election of vacation, sick, or paid time off interacts with their total amount of paid leave under chapter 268B. Requires an employee to refund benefits paid that exceed their usual salary and allows an employer to be reimbursed by the paid leave division for payment of wage replacement benefits.

Effective November 1, 2025.

**19 Disability insurance offset.**

Adds new subdivision 7a to replace deleted language. Allows an employee to receive disability insurance benefits and paid leave benefits at the same time. Also allows a disability insurance policy to offset disability benefits by paid leave benefits.

Effective November 1, 2025.

**20 Employer notification.**

Modifies employer notice provision to clarify that notice of applicant's entitlement to benefits must be provided to the employer(s) from which an applicant is taking leave.

**Section Description – Article 73: Paid Leave**

---

Allows rulemaking regarding application information requested and employer notice requirements for applications and eligibility.

Effective November 1, 2025.

**21 Determination.**

Makes various modifications and technical clarifications to employer determination notices, requests for information, and incomplete applications as administered and established by the commissioner of DEED. Makes consistent terminology changes.

Effective November 1, 2025.

**22 Amended determination.**

Modifies amended determination of benefits provision to clarify that notice must be sent to any base period employer from which applicant applied for leave.

Effective November 1, 2025.

**23 Appeals.**

Establishes a new comprehensive appeals process under new section 268B.081.

- Subdivision 1 provides for filing of electronic appeals in the form, manner, and timeline required by the commissioner.
- Subdivision 2 lists appealable issues under chapter 268B and applicable deadlines, and replaces separate appeal language removed from several existing sections.
- Subdivisions 3 and 4 establish notice and de novo due process hearing requirements, including information required, adoption of hearing rules by the commissioner, and establishing hearing methods and processes at DEED.
- Subdivisions 5 to 11 include various provisions related to hearings, including hearing officer decisions, timeline to request reconsideration, withdrawal of pending appeals, effect of decision on applicant's benefits, and use of evidence and data privacy. Provide a hearing officer's decision is not binding, conclusive, or precedential in other proceedings unless otherwise specified, and allows for legal or authorized representation at a hearing.
- Subdivision 12 provides for appeal to the Minnesota Court of Appeals of a final determination on a request for reconsideration.
- Subdivisions 13 to 18 cover various other hearing provisions, including rescheduling and continuances, use of interpreters and exhibits,

**Section Description – Article 73: Paid Leave**

---

consolidation of parties and issues, and subpoena, discovery, and reasonable access to data requirements.

- Subdivision 19 allows for disqualification of a hearing officer.
- Subdivision 20 requires public access to hearings and hearing recordings.
- Subdivisions 21 to 23 allow a hearing officer to administer oaths and affirmations at hearings, to take official notice of certain matters, and to consider competent, relevant, and material evidence received at a hearing or through stipulation.

Effective November 1, 2025.

**24 Intermittent schedule.**

Reinstates existing law allowing an employer to offer greater intermittent leave than required and to run this paid leave concurrently with intermittent federal FMLA.

Effective by law July 1, 2024.

**25 Retaliation prohibited.**

Adds technical clarity to commissioner’s determination and requires both wage eligibility and being unable to work due to a qualifying reason to be protected.

Effective November 1, 2025.

**26 Employee right to reinstatement.**

Adds technical clarity to employee reinstatement language and adds language clarifying interaction with overtime pay or pay premiums.

Effective January 1, 2026.

**27 Limitations on employee’s right to reinstatement.**

Provides an employer is not required to maintain health insurance for an employee hired for a specific time period or discrete project not expected to continue.

Effective January 1, 2026.

**28 Application for substitution.**

Requires insurers to file certain documents with the DEED commissioner for an insurance product used to provide paid leave benefits through a private plan.

Effective July 1, 2025.



**Section Description – Article 73: Paid Leave**

---

- 29     **Private plan requirements; medical benefit program.**  
Requires coverage of former employees under an employer’s private plan medical benefit program for up to 26 weeks or until the employee is hired elsewhere.  
  
Effective July 1, 2025.
- 30     **Private plan requirements; family benefit program.**  
Requires coverage of former employees under an employer’s private plan family benefit program for up to 26 weeks or until the employee is hired elsewhere.  
  
Effective July 1, 2025.
- 31     **Private plan requirements; weekly benefit determination.**  
Allows an employee to request administrative review of a denied or contested request for benefits under a private plan and to appeal if a denial is maintained.  
  
Effective July 1, 2025.
- 32     **Plan changes during approved leave.**  
Adds provision clarifying coverage and payment of benefits if an employer changes between state and private plans or to another private plan during an approved leave.  
  
Effective July 1, 2025.
- 33     **Employees no longer covered.**  
Removes existing language making former employees ineligible under a private plan consistent with the changes in sections 28 and 29.  
  
Effective July 1, 2025.
- 34     **Former employees and benefit applications.**  
Adds new benefit application process for former employees of private plan employers separated for less than 26 weeks or if employed by a new employer.  
  
Effective July 1, 2025.
- 35     **Revocation of approval by commissioner.**  
Clarifies commissioner’s authority to terminate a private plan. Removes separate appeal language.  
  
Effective July 1, 2025.

**Section Description – Article 73: Paid Leave**

---

- 36     **Employer penalties.**  
Removes separate appeal language for private plan employer penalties.  
  
Effective July 1, 2025.
- 37     **Filing obligation.**  
Adds provision clarifying private plan employers must submit quarterly wage reports.  
  
Effective July 1, 2025.
- 38     **Employee charge back.**  
Makes technical changes to employee charge back language.  
  
Effective January 1, 2026.
- 39     **Small employer premium rate.**  
Adds new subdivision 5a, establishing a small employer premium rate for employers with fewer than 30 employees whose average wage is less than or equal to 150 percent of the state’s average wage for the basis period. Sets small employer rate as 75 percent of the rate set under section 268B.14, subdivisions 6 and 7, of which, at least 25 percent must be paid by the employer.  
  
For example, 75 percent of the first-year premium of 0.88 percent for both family and medical leave benefits is 0.66 percent. The small employer must pay 25 percent or a 0.22 percent premium, with the employee responsible for up to 50 percent of the remaining premium or 0.44 percent.  
  
Effective by law July 1, 2024.
- 40     **Employee count.**  
Adds new subdivision 5b, establishing the applicable basis period for determining premiums for any tax year as the four quarters ending September 30 of the prior year. Applies to employee counts for the small employer premium rate under section 268B.14, subdivision 5a, average employer wages under section 268B.14, subdivision 5b, and small employer assistance grants under section 268B.29.  
  
Effective by law July 1, 2024.
- 41     **Average wage for employer.**  
Adds new subdivision 5c, establishing the calculation of average wage for an employer depending on if the employer is covered for all or some of basis period.  
  
Effective by law July 1, 2024.

**Section Description – Article 73: Paid Leave**

---

**42 Premium rate adjustments.**

Allows DEED to adjust the premium rate prior to premiums first taking effect January 1, 2026. Starting July 31, 2026, and each July 31 thereafter, requires an annual premium rate adjustment based on the program’s experience and sound actuarial principles so that the projected fund balance as a percentage of total program expenditure does not fall below 25 percent. Removes existing calculation for the premium rate adjustment. Requires an actuarial study every year for this purpose, and requires all actuarial studies, revisions, or related documents to be provided to the relevant legislative committees and filed with the Legislative Reference Library. Defines a qualified independent actuarial consultant for these purposes.

Effective May 25, 2024.

**43 Credit adjustments; refunds.**

Removes separate appeal language for premium credit adjustments or refunds.

Effective January 1, 2026.

**44 Notice upon application.**

Makes consistent and technical terminology change.

Effective January 1, 2026.

**45 Overpayment because of misrepresentation.**

Removes separate appeal language for overpayment penalties and makes consistent and technical terminology change.

Effective January 1, 2026.

**46 Employer misconduct; penalty.**

Removes separate appeal language for employer misconduct penalties.

Effective July 1, 2024.

**47 Notice requirements.**

Adds clarifying language to employee notice requirements when an employee refuses to acknowledge receipt.

Effective November 1, 2025.

**Section Description – Article 73: Paid Leave**

---

**48 Construction.**

Clarifies construction with collective bargaining and agreeing to leave benefits and related policies.

Effective January 1, 2026.

**49 Small employer assistance grants.**

Modifies eligibility for employer assistance grants to employers with fewer than 30 employees consistent with the new provisions for employee count and employer average wage calculations under section 268B.14, subdivisions 5b and 5c. Applications must be submitted in the form and manner required by the DEED commissioner.

Effective January 1, 2026.

**50 Data privacy.**

Adds new section 268B.30 establishing data privacy and disclosure requirements under chapter 13 for paid family and medical leave benefits data.

Effective by law July 1, 2024.

**51 Repealer.**

Repeals section 268B.06, subdivision 7, which made applicants ineligible for paid leave benefits for any week separation, severance, or bonus pay that was received. Effective May 25, 2024.

Repeals section 268B.10, subdivision 11, the separate appeal language for adverse decisions on private plan substitution applications. Effective July 1, 2025.

Repeals section 268B.14, subdivision 5, the small business wage exclusion, consistent with new language in sections 38, 39, and 40. Effective January 1, 2026.

Repeals section 268B.08, the existing appeals process under chapter 268B, which is replaced with new appeals section 268B.081, section 23. Effective November 1, 2025.



*Minnesota House Research Department provides nonpartisan legislative, legal, and information services to the Minnesota House of Representatives. This document can be made available in alternative formats.*

[www.house.mn.gov/hrd](http://www.house.mn.gov/hrd) | 651-296-6753 | 155 State Office Building | St. Paul, MN 55155