

SENATE

STATE OF MINNESOTA

NINETY-FOURTH SESSION

S.F. No. 3045

(SENATE AUTHORS: XIONG)		
DATE	D-PG	OFFICIAL STATUS
03/27/2025	1101	Introduction and first reading Referred to State and Local Government
04/22/2025		Comm report: To pass as amended and re-refer to Finance

1.1

A bill for an act

1.2 relating to state government operations; establishing a biennial budget;

1.3 appropriating money for the legislature, certain constitutional offices, and state

1.4 agencies, the Minnesota Historical Society, the Minnesota Humanities Center,

1.5 certain retirement accounts, certain offices, departments, boards, commissions,

1.6 councils, general contingent account, and tort claims; transferring certain funds;

1.7 raising fees; making changes to policy provisions for state government operations

1.8 and local government policy; modifying state personnel management policies;

1.9 modifying business filing and fraud policies; requiring reports; amending Minnesota

1.10 Statutes 2024, sections 3.971, subdivisions 2, 8a, 9; 11A.24, by adding a

1.11 subdivision; 13.485, subdivision 1, by adding a subdivision; 13D.02, subdivisions

1.12 1, 4; 14.48, subdivisions 1, 2; 14.62, subdivisions 1, 2a, by adding a subdivision;

1.13 16A.152, subdivision 8; 16B.055, subdivision 1; 16B.335, subdivision 2; 16B.48,

1.14 subdivision 4; 16B.54, subdivision 2; 16B.97, subdivision 1; 16B.98, subdivisions

1.15 1, 4; 16B.981, subdivision 4; 16B.991, subdivision 2; 16C.05, by adding a

1.16 subdivision; 16C.137, subdivision 2; 16C.16, subdivisions 2, 6, 6a, 7; 16D.09,

1.17 subdivision 1; 43A.01, subdivision 3; 43A.02, subdivision 14; 43A.04, subdivisions

1.18 1, 4, 8; 43A.05, subdivision 3; 43A.08, subdivisions 1a, 4; 43A.11, subdivision 9;

1.19 43A.121; 43A.15, subdivisions 4, 7, 12, 14; 43A.17, subdivision 5; 43A.181,

1.20 subdivision 1; 43A.1815; 43A.19, subdivision 1; 43A.23, subdivisions 1, 2;

1.21 43A.231, subdivisions 3, 4, 6; 43A.24, subdivisions 1a, 2; 43A.27, subdivisions

1.22 2, 3; 43A.33, subdivision 3; 43A.346, subdivisions 2, 6; 43A.36, subdivision 1;

1.23 43A.421; 155A.23, by adding a subdivision; 155A.27, subdivision 2; 155A.2705,

1.24 subdivision 3; 155A.30, subdivision 2; 222.37, subdivision 1; 240.131, subdivision

1.25 7; 302A.153; 303.06, by adding a subdivision; 303.21; 308A.131, subdivision 2;

1.26 308B.215, subdivision 2; 317A.151, subdivision 2; 321.0206; 322C.0201,

1.27 subdivision 4; 322C.0802; 323A.0101; 326.05; 326.10, subdivisions 1, 2, 10;

1.28 326.111, subdivisions 3, 4, 5, by adding a subdivision; 326A.03, subdivision 6,

1.29 by adding subdivisions; 326A.14; 331A.10, subdivision 2; 349A.01, by adding a

1.30 subdivision; 349A.06, subdivisions 2, 4, 11; 367.36, subdivision 1; 383C.035;

1.31 412.02, subdivision 3; 412.591, subdivision 3; 466.01, subdivision 1; 477A.017,

1.32 subdivision 3; 609.48, subdivision 1; Laws 2023, chapter 62, article 1, sections

1.33 11, subdivision 2; 13; proposing coding for new law in Minnesota Statutes, chapters

1.34 1; 15; 16B; 300; 383A; 471; repealing Minnesota Statutes 2024, sections 16B.328,

1.35 subdivision 2; 16B.45; 16C.36; 43A.315; 43A.317, subdivisions 1, 2, 3, 5, 6, 7,

1.36 8, 9, 10, 12; 43A.318, subdivisions 1, 2, 4, 5; 211B.06; 211B.08; 383C.07; 383C.74,

1.37 subdivisions 1, 2, 3, 4; 471.9998; Laws 2024, chapter 120, article 3, section 2;

1.38 Minnesota Rules, part 1105.7900, item D.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

ARTICLE 1

STATE GOVERNMENT AND ELECTIONS APPROPRIATIONS

Section 1. STATE GOVERNMENT AND ELECTIONS APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively. "The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium" is fiscal years 2026 and 2027.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2026</u>	<u>2027</u>

Sec. 2. LEGISLATURE

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>107,228,000</u>	<u>\$</u>	<u>113,066,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions. The base for this appropriation is \$111,377,000 in fiscal year 2028 and each fiscal year thereafter.

<u>Subd. 2. Senate</u>	<u>38,238,000</u>	<u>39,690,000</u>
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<u>Subd. 3. House of Representatives</u>	<u>36,922,000</u>	<u>39,985,000</u>
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The base for this appropriation is \$38,296,000 in fiscal year 2028 and each fiscal year thereafter.

<u>Subd. 4. Legislative Coordinating Commission</u>	<u>32,068,000</u>	<u>33,391,000</u>
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Legislative Auditor. \$12,076,000 the first year and \$12,567,000 the second year are for the Office of the Legislative Auditor.

3.1 Revisor of Statutes. \$9,094,000 the first year
3.2 and \$9,466,000 the second year are for the
3.3 Office of the Revisor of Statutes.

3.4 Legislative Reference Library. \$2,278,000
3.5 the first year and \$2,369,000 the second year
3.6 are for the Legislative Reference Library.

3.7 Legislative Budget Office. \$2,800,000 the
3.8 first year and \$2,965,000 the second year are
3.9 for the Legislative Budget Office.

3.10	Sec. 3. <u>GOVERNOR AND LIEUTENANT</u>			
3.11	<u>GOVERNOR</u>	\$	<u>9,231,000</u>	\$ <u>9,231,000</u>

3.12 (a) \$19,000 each year is for necessary
3.13 expenses in the normal performance of the
3.14 governor's and lieutenant governor's duties for
3.15 which no other reimbursement is provided.

3.16 (b) By September 1 of each year, the
3.17 commissioner of management and budget shall
3.18 report to the chairs and ranking minority
3.19 members of the legislative committees with
3.20 jurisdiction over state government finance any
3.21 personnel costs incurred by the Offices of the
3.22 Governor and Lieutenant Governor that were
3.23 supported by appropriations to other agencies
3.24 during the previous fiscal year. The Office of
3.25 the Governor shall inform the chairs and
3.26 ranking minority members of the committees
3.27 before initiating any interagency agreements.

3.28	Sec. 4. <u>STATE AUDITOR</u>	\$	<u>14,493,000</u>	\$ <u>14,734,000</u>
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3.29	Sec. 5. <u>ATTORNEY GENERAL</u>	\$	<u>50,135,000</u>	\$ <u>50,432,000</u>
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3.30	<u>Appropriations by Fund</u>		
3.31		<u>2026</u>	<u>2027</u>
3.32	<u>General</u>	<u>46,719,000</u>	<u>47,016,000</u>
3.33	<u>State Government</u>		
3.34	<u>Special Revenue</u>	<u>3,021,000</u>	<u>3,021,000</u>

4.1 Environmental 145,000 145,000
 4.2 Remediation 250,000 250,000

4.3 The general fund base for this appropriation
 4.4 is \$46,657,000 in fiscal year 2029 and each
 4.5 fiscal year thereafter.

4.6 Sec. 6. SECRETARY OF STATE \$ 10,426,000 \$ 10,426,000

4.7 The base for this appropriation is \$10,356,000
 4.8 in fiscal year 2028 and \$10,426,000 in fiscal
 4.9 year 2029.

4.10 Sec. 7. STATE BOARD OF INVESTMENT \$ 139,000 \$ 139,000

4.11 Sec. 8. ADMINISTRATIVE HEARINGS \$ 11,110,000 \$ 11,709,000

4.12 Appropriations by Fund

4.13 2026 2027
 4.14 General 705,000 715,000
 4.15 Workers'
 4.16 Compensation 10,405,000 10,994,000

4.17 Sec. 9. INFORMATION TECHNOLOGY
 4.18 SERVICES \$ 10,939,000 \$ 11,150,000

4.19 During the biennium ending June 30, 2027,
 4.20 the Department of Information Technology
 4.21 Services must not charge fees to a public
 4.22 noncommercial educational television
 4.23 broadcast station eligible for funding under
 4.24 Minnesota Statutes, chapter 129D, for access
 4.25 to the state broadcast infrastructure. If the
 4.26 access fees not charged to public
 4.27 noncommercial educational television
 4.28 broadcast stations total more than \$400,000
 4.29 for the biennium, the office may charge for
 4.30 access fees in excess of these amounts.

4.31 Sec. 10. ADMINISTRATION

4.32 Subdivision 1. Total Appropriation \$ 37,579,000 \$ 38,281,000

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

5.4 Subd. 2. **Government and Citizen Services** 18,310,000 18,117,000

5.5 **Council on Developmental Disabilities.**

5.6 \$222,000 each year is for the Council on
 5.7 Developmental Disabilities.

5.8 **State Agency Accommodation**

5.9 **Reimbursement.** \$200,000 each year may be
 5.10 transferred to the accommodation account
 5.11 established in Minnesota Statutes, section
 5.12 16B.4805.

5.13 **Office of Enterprise Translations.**

5.14 \$1,010,000 each year is for the Office of
 5.15 Enterprise Translations. \$100,000 each year
 5.16 may be transferred to the language access
 5.17 service account established in Minnesota
 5.18 Statutes, section 16B.373.

5.19 **Grants.** \$250,000 the first year is for a grant
 5.20 to the Minnesota Orchestra for arts education
 5.21 musical performance in the schools of
 5.22 Minnesota. Any unencumbered balance in the
 5.23 first year does not cancel and is available for
 5.24 the second year.

5.25 \$220,000 the first year is for a grant to History
 5.26 Theatre to perform a play celebrating Hmong
 5.27 arts and culture.

5.28 Subd. 3. **Strategic Management Services** 2,676,000 2,716,000

5.29 Subd. 4. **Fiscal Agent** 16,593,000 17,448,000

5.30 The appropriations under this section are to
 5.31 the commissioner of administration for the
 5.32 purposes specified.

6.1 **In-Lieu of Rent.** \$12,139,000 the first year
6.2 and \$12,994,000 the second year are for space
6.3 costs of the legislature and veterans
6.4 organizations, ceremonial space, and
6.5 statutorily free space.

6.6 **Public Television.** (a) \$1,550,000 each year
6.7 is for matching grants for public television.

6.8 (b) \$250,000 each year is for public television
6.9 equipment grants under Minnesota Statutes,
6.10 section 129D.13.

6.11 (c) \$250,000 each year is for block grants to
6.12 public television under Minnesota Statutes,
6.13 section 129D.13. Of this amount, up to three
6.14 percent is for the commissioner of
6.15 administration to administer the grants.

6.16 (d) The commissioner of administration must
6.17 consider the recommendations of the
6.18 Minnesota Public Television Association
6.19 before allocating the amounts appropriated in
6.20 paragraphs (a) and (b) for equipment or
6.21 matching grants.

6.22 **Public Radio.** (a) \$1,242,000 each year is for
6.23 community service grants to public
6.24 educational radio stations. This appropriation
6.25 may be used to disseminate emergency
6.26 information in foreign languages. Any
6.27 unencumbered balance does not cancel at the
6.28 end of the first year and is available for the
6.29 second year. The Association of Minnesota
6.30 Public Educational Radio Stations may use up
6.31 to four percent of this appropriation for costs
6.32 that are directly related to and necessary for
6.33 the administration of these grants.

7.1 (b) \$142,000 each year is for equipment grants
 7.2 to public educational radio stations. This
 7.3 appropriation may be used for the repair,
 7.4 rental, purchase, upgrades of equipment and
 7.5 software, including computer software,
 7.6 applications, firmware, and equipment under
 7.7 \$500.

7.8 (c) \$1,020,000 each year is for equipment
 7.9 grants to Minnesota Public Radio, Inc.,
 7.10 including upgrades to Minnesota's Emergency
 7.11 Alert and AMBER Alert Systems.

7.12 (d) The appropriations in paragraphs (a) to (c)
 7.13 may not be used for indirect costs claimed by
 7.14 an institution or governing body.

7.15 (e) The commissioner of administration must
 7.16 consider the recommendations of the
 7.17 Association of Minnesota Public Educational
 7.18 Radio Stations before awarding grants under
 7.19 Minnesota Statutes, section 129D.14, using
 7.20 the appropriations in paragraphs (a) and (b).
 7.21 No grantee is eligible for a grant unless they
 7.22 are a member of the Association of Minnesota
 7.23 Public Educational Radio Stations on or before
 7.24 July 1, 2025.

7.25 (f) Any unencumbered balance remaining the
 7.26 first year for grants to public television or
 7.27 public radio stations does not cancel and is
 7.28 available for the second year.

7.29	Sec. 11. <u>CAPITOL AREA ARCHITECTURAL</u>			
7.30	<u>AND PLANNING BOARD</u>	\$	<u>464,000</u>	\$ <u>472,000</u>
7.31	Sec. 12. <u>MINNESOTA MANAGEMENT AND</u>			
7.32	<u>BUDGET</u>	\$	<u>51,688,000</u>	\$ <u>52,709,000</u>
7.33	Sec. 13. <u>REVENUE</u>			
7.34	Subdivision 1. <u>Total Appropriation</u>	\$	<u>215,761,000</u>	\$ <u>217,073,000</u>

8.1	<u>Appropriations by Fund</u>		
8.2		<u>2026</u>	<u>2027</u>
8.3	<u>General</u>	<u>211,501,000</u>	<u>212,813,000</u>
8.4	<u>Health Care Access</u>	<u>1,760,000</u>	<u>1,760,000</u>
8.5	<u>Highway User Tax</u>		
8.6	<u>Distribution</u>	<u>2,195,000</u>	<u>2,195,000</u>
8.7	<u>Environmental</u>	<u>305,000</u>	<u>305,000</u>
8.8	<u>The general fund base for this appropriation</u>		
8.9	<u>is \$212,297,000 in fiscal year 2028 and</u>		
8.10	<u>\$212,197,000 in fiscal year 2029 and each</u>		
8.11	<u>fiscal year thereafter.</u>		
8.12	<u>Subd. 2. Tax System Management</u>	<u>179,976,000</u>	<u>180,553,000</u>
8.13	<u>Appropriations by Fund</u>		
8.14	<u>General</u>	<u>175,716,000</u>	<u>176,293,000</u>
8.15	<u>Health Care Access</u>	<u>1,760,000</u>	<u>1,760,000</u>
8.16	<u>Highway User Tax</u>		
8.17	<u>Distribution</u>	<u>2,195,000</u>	<u>2,195,000</u>
8.18	<u>Environmental</u>	<u>305,000</u>	<u>305,000</u>
8.19	<u>The general fund base for this appropriation</u>		
8.20	<u>is \$175,777,000 in fiscal year 2028 and</u>		
8.21	<u>\$175,677,000 in fiscal year 2029 and each</u>		
8.22	<u>fiscal year thereafter.</u>		
8.23	<u>Taxpayer Assistance and Tax Credit</u>		
8.24	<u>Outreach Grants. (a) \$1,250,000 each year</u>		
8.25	<u>is for taxpayer assistance grants under</u>		
8.26	<u>Minnesota Statutes, section 270C.21,</u>		
8.27	<u>subdivision 3. The unencumbered balance in</u>		
8.28	<u>the first year does not cancel but is available</u>		
8.29	<u>for the second year.</u>		
8.30	<u>(b) \$1,500,000 each year is for tax credit</u>		
8.31	<u>outreach grants under Minnesota Statutes,</u>		
8.32	<u>section 270C.21, subdivision 4.</u>		
8.33	<u>Subd. 3. Debt Collection Management</u>	<u>35,785,000</u>	<u>36,520,000</u>
8.34	Sec. 14. <u>GAMBLING CONTROL</u>	<u>\$ 6,334,000</u>	<u>\$ 6,334,000</u>

9.1 These appropriations are from the lawful
 9.2 gambling regulation account in the special
 9.3 revenue fund.

9.4 Sec. 15. RACING COMMISSION \$ 954,000 \$ 954,000

9.5 These appropriations are from the racing and
 9.6 card playing regulation accounts in the special
 9.7 revenue fund.

9.8 Sec. 16. STATE LOTTERY

9.9 Notwithstanding Minnesota Statutes, section
 9.10 349A.10, subdivision 3, the State Lottery's
 9.11 operating budget must not exceed \$45,000,000
 9.12 in fiscal year 2026 and \$45,000,000 in fiscal
 9.13 year 2027.

9.14 Sec. 17. AMATEUR SPORTS COMMISSION \$ 401,000 \$ 411,000

9.15 Sec. 18. COUNCIL FOR MINNESOTANS OF
 9.16 AFRICAN HERITAGE \$ 938,000 \$ 955,000

9.17 Sec. 19. COUNCIL ON LATINO AFFAIRS \$ 829,000 \$ 841,000

9.18 Sec. 20. COUNCIL ON ASIAN-PACIFIC
 9.19 MINNESOTANS \$ 655,000 \$ 665,000

9.20 Sec. 21. COUNCIL ON LGBTQIA2S+
 9.21 MINNESOTANS \$ 737,000 \$ 745,000

9.22 Sec. 22. INDIAN AFFAIRS COUNCIL \$ 1,381,000 \$ 1,402,000

9.23 Sec. 23. MINNESOTA HISTORICAL
 9.24 SOCIETY

9.25 Subdivision 1. Total Appropriation \$ 26,763,000 \$ 27,076,000

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

9.29 Subd. 2. Operations and Programs 26,442,000 26,755,000

9.30 Notwithstanding Minnesota Statutes, section
 9.31 138.668, the Minnesota Historical Society may
 9.32 not charge a fee for its general tours at the

10.1 Capitol, but may charge fees for special
 10.2 programs other than general tours.

10.3 Subd. 3. **Fiscal Agent** 321,000 321,000

10.4 (a) Global Minnesota 39,000 39,000

10.5 (b) Minnesota Air National Guard Museum 17,000 17,000

10.6 (c) Hockey Hall of Fame 100,000 100,000

10.7 (d) Farmamerica 115,000 115,000

10.8 (e) Minnesota Military Museum 50,000 50,000

10.9 Any unencumbered balance remaining in this
 10.10 subdivision the first year does not cancel but
 10.11 is available for the second year of the
 10.12 biennium.

10.13 Sec. 24. **BOARD OF THE ARTS**

10.14 Subdivision 1. **Total Appropriation** \$ 7,798,000 \$ 7,808,000

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

10.18 Subd. 2. **Operations and Services** 859,000 869,000

10.19 Subd. 3. **Grants Program** 4,800,000 4,800,000

10.20 Subd. 4. **Regional Arts Councils** 2,139,000 2,139,000

10.21 Any unencumbered balance remaining in this
 10.22 section the first year does not cancel, but is
 10.23 available for the second year.

10.24 Money appropriated in this section and
 10.25 distributed as grants may only be spent on
 10.26 projects located in Minnesota. A recipient of
 10.27 a grant funded by an appropriation in this
 10.28 section must not use more than ten percent of
 10.29 the total grant for costs related to travel outside
 10.30 the state of Minnesota.

10.31 Sec. 25. **MINNESOTA HUMANITIES**
 10.32 **CENTER** \$ 970,000 \$ 970,000

11.1 \$500,000 each year is for Healthy Eating, Here
 11.2 at Home grants under Minnesota Statutes,
 11.3 section 138.912. No more than three percent
 11.4 of the appropriation may be used for the
 11.5 nonprofit administration of the program.

11.6 Sec. 26. BOARD OF ACCOUNTANCY \$ 873,000 \$ 887,000

11.7 Sec. 27. BOARD OF ARCHITECTURE
 11.8 ENGINEERING, LAND SURVEYING,
 11.9 LANDSCAPE ARCHITECTURE,
 11.10 GEOSCIENCE, AND INTERIOR DESIGN \$ 928,000 \$ 943,000

11.11 Sec. 28. BOARD OF COSMETOLOGIST
 11.12 EXAMINERS \$ 3,659,000 \$ 3,716,000

11.13 Sec. 29. BOARD OF BARBER EXAMINERS \$ 459,000 \$ 466,000

11.14 Sec. 30. GENERAL CONTINGENT
 11.15 ACCOUNTS \$ 2,000,000 \$ 500,000

11.16 Appropriations by Fund

11.17		<u>2026</u>	<u>2027</u>
11.18	<u>General</u>	<u>1,500,000</u>	<u>-0-</u>
11.19	<u>State Government</u>		
11.20	<u>Special Revenue</u>	<u>400,000</u>	<u>400,000</u>
11.21	<u>Workers'</u>		
11.22	<u>Compensation</u>	<u>100,000</u>	<u>100,000</u>

11.23 (a) The general fund base for this
 11.24 appropriation is \$1,500,000 in fiscal year 2026
 11.25 and each even-numbered fiscal year thereafter.
 11.26 The base is \$0 for fiscal year 2027 and each
 11.27 odd-numbered fiscal year thereafter.

11.28 (b) The appropriations in this section may only
 11.29 be spent with the approval of the governor
 11.30 after consultation with the Legislative
 11.31 Advisory Commission pursuant to Minnesota
 11.32 Statutes, section 3.30.

11.33 (c) If an appropriation in this section for either
 11.34 year is insufficient, the appropriation for the
 11.35 other year is available for it.

12.1 (d) If a contingent account appropriation is
 12.2 made in one fiscal year, it shall be considered
 12.3 a biennial appropriation.

12.4 Sec. 31. **TORT CLAIMS** \$ **161,000** \$ **161,000**

12.5 These appropriations are to be spent by the
 12.6 commissioner of management and budget
 12.7 according to Minnesota Statutes, section
 12.8 3.736, subdivision 7. If the appropriation for
 12.9 either year is insufficient, the appropriation
 12.10 for the other year is available for it.

12.11 Sec. 32. **MINNESOTA STATE RETIREMENT**
 12.12 **SYSTEM**

12.13 Subdivision 1. **Total Appropriation** \$ **15,064,000** \$ **15,154,000**

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

12.17 Subd. 2. **Combined Legislators and**
 12.18 **Constitutional Officers Retirement Plan**

9,064,000 9,154,000

12.19 Under Minnesota Statutes, sections 3A.03,
 12.20 subdivision 2; 3A.04, subdivisions 3 and 4;
 12.21 and 3A.115.

12.22 Subd. 3. **Judges Retirement Plan**

6,000,000 6,000,000

12.23 For transfer to the judges retirement fund
 12.24 under Minnesota Statutes, section 490.123.
 12.25 This transfer continues each fiscal year until
 12.26 the judges retirement plan reaches 100 percent
 12.27 funding as determined by an actuarial
 12.28 valuation prepared according to Minnesota
 12.29 Statutes, section 356.214.

12.30 Sec. 33. **PUBLIC EMPLOYEES RETIREMENT**
 12.31 **ASSOCIATION**

\$ **25,000,000** \$ **25,000,000**

12.32 (a) \$9,000,000 each year is for direct state aid
 12.33 to the public employees police and fire

13.1 retirement plan authorized under Minnesota
13.2 Statutes, section 353.65, subdivision 3b.

13.3 (b) State payments from the general fund to
13.4 the Public Employees Retirement Association
13.5 on behalf of the former MERF division
13.6 account are \$16,000,000 on September 15,
13.7 2026, and \$16,000,000 on September 15,
13.8 2027. These amounts are estimated to be
13.9 needed under Minnesota Statutes, section
13.10 353.505.

13.11 Sec. 34. **TEACHERS RETIREMENT**
13.12 **ASSOCIATION**

\$ 29,831,000 \$ 29,831,000

13.13 The amounts estimated to be needed are as
13.14 follows:

13.15 **Special Direct State Aid.** \$27,331,000 each
13.16 year is for special direct state aid authorized
13.17 under Minnesota Statutes, section 354.436.

13.18 **Special Direct State Matching Aid.**
13.19 \$2,500,000 each year is for special direct state
13.20 matching aid authorized under Minnesota
13.21 Statutes, section 354.435.

13.22 Sec. 35. **ST. PAUL TEACHERS RETIREMENT**
13.23 **FUND**

\$ 14,827,000 \$ 14,827,000

13.24 The amounts estimated to be needed for
13.25 special direct state aid to the first class city
13.26 teachers retirement fund association authorized
13.27 under Minnesota Statutes, section 354A.12,
13.28 subdivisions 3a and 3c.

13.29 Sec. 36. **TRANSFERS; SECRETARY OF STATE.**

13.30 Subdivision 1. **VOTER account.** The secretary of state, in consultation with the
13.31 commissioner of management and budget, must transfer \$3,000,000 in fiscal year 2026 and
13.32 \$3,000,000 in fiscal year 2027 from the general fund to the voting operations, technology,
13.33 and election resources account established under Minnesota Statutes, section 5.305. For

14.1 fiscal years 2028 to 2031, the commissioner of management and budget must include a
 14.2 transfer of \$3,000,000 each year from the general fund to the voting operations, technology,
 14.3 and election resources account, when preparing each forecast from the effective date of this
 14.4 section through the February 2027 forecast, under Minnesota Statutes, section 16A.103.

14.5 Subd. 2. **VRA account.** The secretary of state, in consultation with the commissioner
 14.6 of management and budget, must transfer \$25,000 in fiscal year 2026 and \$25,000 in fiscal
 14.7 year 2027 from the general fund to the Voting Rights Act cost sharing account established
 14.8 under Minnesota Statutes, section 200.60, subdivision 1. For fiscal years 2028 to 2031, the
 14.9 commissioner of management and budget must include a transfer of \$25,000 each year from
 14.10 the general fund to the Voting Rights Act cost sharing account, when preparing each forecast
 14.11 from the effective date of this section through the February 2027 forecast, under Minnesota
 14.12 Statutes, section 16A.103.

14.13 Sec. 37. Laws 2023, chapter 62, article 1, section 11, subdivision 2, is amended to read:

14.14	Subd. 2. Government and Citizen Services	39,928,000	19,943,000
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14.15 The base for this appropriation is \$17,268,000
 14.16 in fiscal year 2026 and \$17,280,000 in fiscal
 14.17 year 2027.

14.18 **Council on Developmental Disabilities.**

14.19 \$222,000 each year is for the Council on
 14.20 Developmental Disabilities.

14.21 **State Agency Accommodation**

14.22 **Reimbursement.** \$200,000 each year may be
 14.23 transferred to the accommodation account
 14.24 established in Minnesota Statutes, section
 14.25 16B.4805.

14.26 **Disparity Study.** \$500,000 the first year and
 14.27 \$1,000,000 the second year are to conduct a
 14.28 study on disparities in state procurement. This
 14.29 is a onetime appropriation.

14.30 **Grants Administration Oversight.**

14.31 \$2,411,000 the first year and \$1,782,000 the
 14.32 second year are for grants administration
 14.33 oversight. The base for this appropriation in

15.1 fiscal year 2026 and each year thereafter is
15.2 \$1,581,000.

15.3 \$735,000 the first year and \$201,000 the
15.4 second year are for a study to develop a road
15.5 map on the need for an enterprise grants
15.6 management system and to implement the
15.7 study's recommendation. This is a onetime
15.8 appropriation.

15.9 **Risk Management Fund Property**

15.10 **Self-Insurance.** \$12,500,000 the first year is
15.11 for transfer to the risk management fund under
15.12 Minnesota Statutes, section 16B.85. This is a
15.13 onetime appropriation.

15.14 **Office of Enterprise Translations.**

15.15 \$1,306,000 the first year and \$1,159,000 the
15.16 second year are to establish the Office of
15.17 Enterprise Translations. \$250,000 each year
15.18 may be transferred to the language access
15.19 service account established in Minnesota
15.20 Statutes, section 16B.373.

15.21 **Capitol Mall Design Framework**

15.22 **Implementation.** \$5,000,000 the first year is
15.23 to implement the updated Capitol Mall Design
15.24 Framework, prioritizing the framework plans
15.25 identified in article 2, section 124. This
15.26 appropriation is available until ~~December 31,~~
15.27 2024 June 30, 2026.

15.28 **Parking Fund.** \$3,255,000 the first year and
15.29 \$1,085,000 the second year are for a transfer
15.30 to the state parking account to maintain the
15.31 operations of the parking and transit program
15.32 on the Capitol complex. These are onetime
15.33 transfers.

16.1 **Procurement; Environmental Analysis and**
16.2 **Task Force.** \$522,000 the first year and
16.3 \$367,000 the second year are to implement
16.4 the provisions of Minnesota Statutes, section
16.5 16B.312.

16.6 **Center for Rural Policy and Development.**
16.7 \$100,000 the first year is for a grant to the
16.8 Center for Rural Policy and Development.

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

16.10 Sec. 38. Laws 2023, chapter 62, article 1, section 13, is amended to read:

16.11	Sec. 13. MINNESOTA MANAGEMENT AND				58,057,000
16.12	BUDGET	\$	55,356,000	\$	<u>56,357,000</u>

16.13 The base for this appropriation is \$47,831,000
16.14 in fiscal year 2026 and each fiscal year
16.15 thereafter.

16.16 (a) \$13,489,000 the first year and \$14,490,000
16.17 the second year are to stabilize and secure the
16.18 state's enterprise resource planning systems.
16.19 This amount is available until June 30, 2027.

16.20 The base for this appropriation is \$6,470,000
16.21 in fiscal year 2026 and each fiscal year
16.22 thereafter.

16.23 (b) \$1,000,000 each year is for administration
16.24 and staffing of the Children's Cabinet
16.25 established in Minnesota Statutes, section
16.26 4.045.

16.27 (c) \$317,000 each year is to increase the
16.28 agency's capacity to proactively raise
16.29 awareness about the capital budget process
16.30 and provide technical assistance around the
16.31 requirements associated with the capital
16.32 budget process and receiving general fund or
16.33 general obligation bond funding for capital

17.1 projects, including compliance requirements
17.2 that must be met at various stages of capital
17.3 project development, with particular focus on
17.4 nonprofits, American Indian communities, and
17.5 communities of color that have traditionally
17.6 not participated in the state capital budget
17.7 process. This appropriation may also be used
17.8 to increase the agency's capacity to coordinate
17.9 with other state agencies regarding the
17.10 administration of grant agreements, programs,
17.11 and technical assistance related to capital
17.12 projects governed by the provisions of
17.13 Minnesota Statutes, chapter 16A, and other
17.14 applicable laws and statutes.

17.15 (d) \$2,500,000 ~~each~~ in fiscal year is 2024 and
17.16 \$800,000 in fiscal year 2025 are for
17.17 interagency collaboration to develop data
17.18 collection standards for race, ethnicity, gender
17.19 identity, and disability status and to develop
17.20 a roadmap and timeline for implementation
17.21 of the data standards across state government.
17.22 These funds may be transferred to other
17.23 agencies to support this work and may be used
17.24 to update computer systems to accommodate
17.25 revised data collection standards. This is a
17.26 onetime appropriation and is available until
17.27 June 30, 2027.

17.28 (e) \$102,000 the first year and \$60,000 the
17.29 second year are for the report required under
17.30 Minnesota Statutes, section 43A.15,
17.31 subdivision 14a, and for training and content
17.32 development relating to ADA Title II,
17.33 affirmative action, equal employment
17.34 opportunity, digital accessibility, inclusion,
17.35 disability awareness, and cultural competence.

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

18.2 **ARTICLE 2**

18.3 **STATE GOVERNMENT POLICY**

18.4 Section 1. **[1.1466] STATE FOSSIL.**

18.5 Subdivision 1. **Designation.** *Castoroides ohioensis*, commonly known as the giant
18.6 beaver, or capa in Dakota and amik in Ojibwe, is designated as the official state fossil of
18.7 the state of Minnesota.

18.8 Subd. 2. **Photograph.** A photograph of the giant beaver, approved by the commissioner
18.9 of natural resources, shall be preserved and may be displayed in the Office of the Secretary
18.10 of State.

18.11 Sec. 2. Minnesota Statutes 2024, section 3.971, subdivision 2, is amended to read:

18.12 Subd. 2. **Staff; compensation.** (a) The legislative auditor shall establish a Financial
18.13 Audits Division ~~and~~, a Program Evaluation Division, and a Special Reviews Division to
18.14 fulfill the duties prescribed in this section.

18.15 (b) Each division may be supervised by a deputy auditor, appointed by the legislative
18.16 auditor, with the approval of the commission, for a term coterminous with the legislative
18.17 auditor's term. The deputy auditors may be removed before the expiration of their terms
18.18 only for cause. The legislative auditor and deputy auditors may each appoint an administrative
18.19 support specialist to serve at pleasure. The salaries and benefits of the legislative auditor,
18.20 deputy auditors, and administrative support specialists shall be determined by the
18.21 compensation plan approved by the Legislative Coordinating Commission. The deputy
18.22 auditors may perform and exercise the powers, duties and responsibilities imposed by law
18.23 on the legislative auditor when authorized by the legislative auditor.

18.24 (c) The legislative auditor, deputy auditors, and administrative support specialists shall
18.25 serve in the unclassified civil service, but all other employees of the legislative auditor shall
18.26 serve in the classified civil service. Compensation for employees of the legislative auditor
18.27 in the classified service shall be governed by a plan prepared by the legislative auditor and
18.28 approved by the Legislative Coordinating Commission and the legislature under section
18.29 3.855, subdivision 3.

18.30 (d) While in office, a person appointed deputy for the Financial Audit Division must
18.31 hold an active license as a certified public accountant.

19.1 (e) Notwithstanding section 43A.32, subdivisions 2 and 3, or any other law to the
19.2 contrary, an employee of the legislative auditor is prohibited from being a candidate for a
19.3 partisan elected public office.

19.4 Sec. 3. Minnesota Statutes 2024, section 3.971, subdivision 8a, is amended to read:

19.5 Subd. 8a. **Special reviews.** The legislative auditor may conduct a special review to: (1)
19.6 fulfill a legal requirement; (2) investigate allegations that an individual or organization
19.7 subject to audit by the legislative auditor may not have complied with legal requirements,
19.8 including but not limited to legal requirements related to the use of public money, other
19.9 public resources, or government data classified as not public; (3) respond to a legislative
19.10 request for a review of an organization or program subject to audit by the legislative auditor;
19.11 ~~or~~ (4) investigate allegations that an individual may not have complied with section 43A.38
19.12 or 43A.39; or (5) follow up on a prior special review to assess what changes have occurred.

19.13 Sec. 4. Minnesota Statutes 2024, section 3.971, subdivision 9, is amended to read:

19.14 Subd. 9. **Obligation to notify the legislative auditor.** ~~The chief executive, financial,~~
19.15 ~~or information officers~~ (a) An obligated officer of an organization subject to audit under
19.16 this section must promptly notify the legislative auditor when the officer obtains information
19.17 indicating that public money or other public resources may have been used for an unlawful
19.18 purpose, or when the officer obtains information indicating that government data classified
19.19 by chapter 13 as not public may have been accessed by or provided to a person without
19.20 lawful authorization. As necessary, the legislative auditor shall coordinate an investigation
19.21 of the allegation with appropriate law enforcement officials.

19.22 (b) For purposes of this subdivision, "obligated officer" means the organization's:

19.23 (1) chief executive officer;

19.24 (2) deputy and assistant chief executive officers;

19.25 (3) chief administrative, chief financial, chief information, and chief investigative officers;

19.26 (4) heads of divisions, bureaus, departments, institutes, or other organizational units;

19.27 and

19.28 (5) board chair, where applicable.

20.1 Sec. 5. Minnesota Statutes 2024, section 11A.24, is amended by adding a subdivision to
20.2 read:

20.3 Subd. 8. **Contracts.** Section 16C.05, subdivision 8, paragraph (a), clauses (2) and (5),
20.4 do not apply to contracts entered into by the State Board of Investment related to an
20.5 investment under this section.

20.6 Sec. 6. Minnesota Statutes 2024, section 14.48, subdivision 1, is amended to read:

20.7 Subdivision 1. **Creation.** A state ~~Office~~ Court of Administrative Hearings is created.

20.8 Sec. 7. Minnesota Statutes 2024, section 14.48, subdivision 2, is amended to read:

20.9 Subd. 2. **Chief administrative law judge.** (a) The ~~office~~ court shall be under the direction
20.10 of a chief administrative law judge who shall be learned in the law and appointed by the
20.11 governor, with the advice and consent of the senate, for a term ending on June 30 of the
20.12 sixth calendar year after appointment. Senate confirmation of the chief administrative law
20.13 judge shall be as provided by section 15.066.

20.14 (b) The chief administrative law judge may hear cases and, in accordance with chapter
20.15 43A, shall appoint a deputy chief judge and additional administrative law judges and
20.16 compensation judges to serve in the ~~office~~ court as necessary to fulfill the duties of the
20.17 ~~Office~~ Court of Administrative Hearings.

20.18 (c) The chief administrative law judge may delegate to a subordinate employee the
20.19 exercise of a specified statutory power or duty as deemed advisable, subject to the control
20.20 of the chief administrative law judge. Every delegation must be by written order filed with
20.21 the secretary of state. The chief administrative law judge is subject to the provisions of the
20.22 Minnesota Constitution, article VI, section 6, the jurisdiction of the Board on Judicial
20.23 Standards, and the provisions of the Code of Judicial Conduct.

20.24 (d) If a vacancy in the position of chief administrative law judge occurs, an acting or
20.25 temporary chief administrative law judge must be named as follows:

20.26 (1) at the end of the term of a chief administrative law judge, the incumbent chief
20.27 administrative law judge may, at the discretion of the appointing authority, serve as acting
20.28 chief administrative law judge until a successor is appointed; and

20.29 (2) if at the end of a term of a chief administrative law judge the incumbent chief
20.30 administrative law judge is not designated as acting chief administrative law judge, or if a
20.31 vacancy occurs in the position of chief administrative law judge, the deputy chief judge

21.1 shall immediately become temporary chief administrative law judge without further official
21.2 action.

21.3 (e) The appointing authority of the chief administrative law judge may appoint a person
21.4 other than the deputy chief judge to serve as temporary chief administrative law judge and
21.5 may replace any other acting or temporary chief administrative law judge designated pursuant
21.6 to paragraph (d), clause (1) or (2).

21.7 Sec. 8. Minnesota Statutes 2024, section 14.62, subdivision 1, is amended to read:

21.8 Subdivision 1. **Writing required.** Every decision and order rendered by an agency in
21.9 a contested case shall be in writing, shall be based on the record and shall include the agency's
21.10 findings of fact and conclusions on all material issues. A decision or order that rejects or
21.11 modifies a finding of fact, conclusion, or recommendation contained in the report of the
21.12 administrative law judge required under sections 14.48 to 14.56, or requests remand under
21.13 subdivision 2b, must include the reasons for each rejection ~~or~~ modification, or request for
21.14 remand. A copy of the decision and order shall be served upon each party or the party's
21.15 representative and the administrative law judge by first class mail.

21.16 Sec. 9. Minnesota Statutes 2024, section 14.62, subdivision 2a, is amended to read:

21.17 Subd. 2a. **Administrative law judge decision final; exception.** Unless otherwise
21.18 provided by law, the report or order of the administrative law judge constitutes the final
21.19 decision in the case unless the agency modifies ~~or rejects it under,~~ rejects, or requests remand
21.20 pursuant to subdivision 1 within 90 days after the record of the proceeding closes under
21.21 section 14.61. When the agency fails to act within 90 days on a licensing case, the agency
21.22 must return the record of the proceeding to the administrative law judge for consideration
21.23 of disciplinary action. In all contested cases where the report or order of the administrative
21.24 law judge constitutes the final decision in the case, the administrative law judge shall issue
21.25 findings of fact, conclusions, and an order within 90 days after the hearing record closes
21.26 under section 14.61. Upon a showing of good cause by a party or the agency, the chief
21.27 administrative law judge may order a reasonable extension of either of the two 90-day
21.28 deadlines specified in this subdivision. The 90-day deadline will be tolled while the chief
21.29 administrative law judge considers a request for reasonable extension so long as the request
21.30 was filed and served within the applicable 90-day period.

22.1 Sec. 10. Minnesota Statutes 2024, section 14.62, is amended by adding a subdivision to
22.2 read:

22.3 Subd. 2b. **Agency request for remand.** (a) An agency may request remand of a finding
22.4 of fact, conclusion of law, or recommendation within 45 days following the close of the
22.5 hearing record under section 14.61. Upon a showing of good cause by the agency, the chief
22.6 administrative law judge may consider a request for remand received after the deadline
22.7 specified in this provision.

22.8 (b) The requesting agency must state with specificity the reasons the agency is requesting
22.9 remand. If the agency requests remand for additional fact finding, the agency must state
22.10 with specificity that it is requesting remand for further fact finding, identify the issues for
22.11 which further fact finding is needed, and explain why further fact finding is necessary to
22.12 facilitate a fair and just final decision.

22.13 (c) The chief judge, or their designee, must accept a request for remand within ten
22.14 business days if:

22.15 (1) the agency rejects a recommendation to grant summary disposition;

22.16 (2) a party who had procedurally defaulted during the administrative proceedings seeks
22.17 to participate; and

22.18 (3) following remand from the Minnesota Court of Appeals or Minnesota Supreme
22.19 Court, or identification of a mathematical or clerical error, the agency identifies a need for
22.20 additional proceedings before the Court of Administrative Hearings.

22.21 (d) The chief judge, or their designee, may accept a request for remand within ten business
22.22 days for other reasons as justice requires and consistent with section 14.001.

22.23 (e) When a request for remand is accepted by the chief judge or their designee, the chief
22.24 judge or their designee must assign an administrative law judge to conduct further
22.25 proceedings under this chapter on the issues accepted for remand.

22.26 Sec. 11. **[15.0573] REPORTING ALLEGED MISUSE OF PUBLIC RESOURCES**
22.27 **OR DATA.**

22.28 The commissioner or chief executive officer of each state department, board, commission,
22.29 office, or other agency must ensure that employee and nonemployee concerns about the
22.30 misuse of public money, other public resources, or government data are promptly directed
22.31 to one or more of the obligated officers identified in section 3.971, subdivision 9, or the
22.32 Office of the Legislative Auditor. The commissioner of management and budget must

23.1 develop a policy to operationalize and standardize the process under this section across state
23.2 agencies.

23.3 Sec. 12. **[15.442] LOCAL NEWS ORGANIZATION ADVERTISING BY STATE**
23.4 **AGENCIES.**

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

23.7 (b) "Advertising" means paid communication transmitted via newspaper, magazine,
23.8 radio, television, social media, Internet, or other electronic means to make any person aware
23.9 of information relevant to an agency or a program or public awareness campaign operated
23.10 by an agency.

23.11 (c) "Agency" means any board, commission, authority, department, entity, or organization
23.12 of the executive branch of state government. Agency does not include the Minnesota State
23.13 Colleges and Universities or the Minnesota Zoo.

23.14 (d) "Local news organization" means a print, digital, or hybrid publication, or a broadcast
23.15 television or radio station, that:

23.16 (1) primarily serves the needs of the state of Minnesota or a regional, local, or ethnic
23.17 community within Minnesota;

23.18 (2) primarily has content derived from primary sources relating to news, information,
23.19 and current events;

23.20 (3) employs at least one journalist who resides in Minnesota and who regularly gathers,
23.21 collects, photographs, records, writes, or reports news or information that concerns local
23.22 events or other matters of local public interest;

23.23 (4) has a known Minnesota-based office of publication or broadcast station where business
23.24 is transacted during usual business hours with a local telephone number and must list contact
23.25 information in each updated publication or on their website; and

23.26 (5) has not received more than 50 percent of its gross receipts for the previous year from
23.27 political action committees or other entities described in section 527 of the Internal Revenue
23.28 Code, or from an organization that maintains section 501(c)(4), 501(c)(5), or 501(c)(6)
23.29 status under the Internal Revenue Code.

23.30 Subd. 2. **State agency advertising.** Agencies are encouraged to direct advertising
23.31 spending toward local news organizations when practicable and in support of the agency's
23.32 advertising goals. Advertising primarily targeted at out-of-state residents is not subject to

24.1 this section. Nothing in this section prevents a state agency from contracting with outside
24.2 vendors to conduct advertising work.

24.3 Subd. 3. **Transparency.** By February 1, 2026, and each year thereafter, all agencies
24.4 must publish the following information on their website for the previous fiscal year:

24.5 (1) the total advertising spending by the agency;

24.6 (2) the total percentage of advertising spending in local news organizations; and

24.7 (3) the total percentage of advertising spending in local newspapers.

24.8 **EFFECTIVE DATE.** This section is effective August 1, 2025.

24.9 Sec. 13. Minnesota Statutes 2024, section 16A.152, subdivision 8, is amended to read:

24.10 Subd. 8. **Report on budget reserve percentage.** (a) The commissioner of management
24.11 and budget shall develop and annually review a methodology for evaluating the adequacy
24.12 of the budget reserve based on the volatility of Minnesota's general fund tax structure. The
24.13 review must take into consideration relevant statistical and economic literature. After
24.14 completing the review, the commissioner may revise the methodology if necessary. The
24.15 commissioner must use the methodology to annually estimate the percentage of the current
24.16 biennium's general fund nondedicated revenues recommended as a budget reserve.

24.17 (b) By ~~September~~ October 30 of each year, the commissioner shall report the percentage
24.18 of the current biennium's general fund nondedicated revenue that is recommended as a
24.19 budget reserve to the chairs and ranking minority members of the senate Committee on
24.20 Finance, the house of representatives Committee on Ways and Means, and the senate and
24.21 house of representatives Committees on Taxes. The report must also specify:

24.22 (1) whether the commissioner revised the recommendation as a result of significant
24.23 changes in the mix of general fund taxes or the base of one or more general fund taxes;

24.24 (2) whether the commissioner revised the recommendation as a result of a revision to
24.25 the methodology; and

24.26 (3) any additional appropriate information.

24.27 Sec. 14. Minnesota Statutes 2024, section 16B.055, subdivision 1, is amended to read:

24.28 Subdivision 1. **Federal Assistive Technology Act.** (a) The Department of Administration
24.29 is designated as the lead agency to carry out all the responsibilities under the 21st Century
24.30 Assistive Technology Act of 1998, as provided by Public Law ~~108-364~~, as amended 117-263.
24.31 The Minnesota Assistive Technology Advisory Council is established to fulfill the

responsibilities required by the 21st Century Assistive Technology Act, as provided by Public Law ~~108-364, as amended~~ 117-263. Because the existence of this council is required by federal law, this council does not expire.

(b) Except as provided in paragraph (c), the governor shall appoint the membership of the council as required by the 21st Century Assistive Technology Act of 1998, as provided by Public Law ~~108-364, as amended~~ 117-263. After the governor has completed the appointments required by this subdivision, the commissioner of administration, or the commissioner's designee, shall convene the first meeting of the council following the appointments. Members shall serve two-year terms commencing July 1 of each odd-numbered year, and receive the compensation specified by the 21st Century Assistive Technology Act of 1998, as provided by Public Law ~~108-364, as amended~~ 117-263. The members of the council shall select their chair at the first meeting following their appointment.

(c) After consulting with the appropriate commissioner, the commissioner of administration shall appoint a representative from:

- (1) State Services for the Blind who has assistive technology expertise;
- (2) vocational rehabilitation services who has assistive technology expertise;
- (3) the Workforce Development Board; ~~and~~
- (4) the Department of Education who has assistive technology expertise; and
- (5) the Board on Aging.

Sec. 15. Minnesota Statutes 2024, section 16B.335, subdivision 2, is amended to read:

Subd. 2. **Other projects.** All other capital projects for which a specific appropriation is made, including projects that are exempt under subdivision 1, paragraph (b), must not proceed until the recipient undertaking the project has notified the chairs and ranking minority members of the senate Capital Investment and Finance Committees and the house of representatives Capital Investment and Ways and Means Committees that the work is ready to begin. Notice is not required for:

- (1) capital projects needed to comply with the Americans with Disabilities Act;
- (2) asset preservation projects to which section 16B.307 applies;
- (3) projects funded by an agency's operating budget; or
- (4) projects funded by a capital asset preservation and replacement account under section 16A.632, a higher education asset preservation and replacement account under section

26.1 135A.046, or a natural resources asset preservation and replacement account under section
26.2 84.946.

26.3 Sec. 16. Minnesota Statutes 2024, section 16B.48, subdivision 4, is amended to read:

26.4 Subd. 4. **Reimbursements.** (a) Except as specifically provided otherwise by law, each
26.5 agency shall reimburse the general services revolving funds for the cost of all services,
26.6 supplies, materials, labor, and depreciation of equipment, including reasonable overhead
26.7 costs, which the commissioner is authorized and directed to furnish an agency. The cost of
26.8 all publications or other materials produced by the commissioner and financed from the
26.9 general services revolving fund must include reasonable overhead costs.

26.10 (b) The commissioner of administration shall report the rates to be charged for the general
26.11 services revolving funds no later than ~~July 1~~ September 15 each year to the chair of the
26.12 committee or division in the senate and house of representatives with primary jurisdiction
26.13 over the budget of the Department of Administration.

26.14 (c) The commissioner of management and budget shall make appropriate transfers to
26.15 the revolving funds described in this section when requested by the commissioner of
26.16 administration. The commissioner of administration may make allotments, encumbrances,
26.17 and, with the approval of the commissioner of management and budget, disbursements in
26.18 anticipation of such transfers. In addition, the commissioner of administration, with the
26.19 approval of the commissioner of management and budget, may require an agency to make
26.20 advance payments to the revolving funds in this section sufficient to cover the agency's
26.21 estimated obligation for a period of at least 60 days.

26.22 (d) All reimbursements and other money received by the commissioner of administration
26.23 under this section must be deposited in the appropriate revolving fund. Any earnings
26.24 remaining in the fund established to account for the documents service prescribed by section
26.25 16B.51 at the end of each fiscal year not otherwise needed for present or future operations,
26.26 as determined by the commissioners of administration and management and budget, must
26.27 be transferred to the general fund.

26.28 Sec. 17. Minnesota Statutes 2024, section 16B.54, subdivision 2, is amended to read:

26.29 Subd. 2. **Vehicles.** (a) The commissioner may direct an agency to make a transfer of a
26.30 passenger motor vehicle or truck currently assigned to it. The transfer must be made to the
26.31 commissioner for use in the enterprise fleet. The commissioner shall reimburse an agency
26.32 whose motor vehicles have been paid for with funds dedicated by the constitution for a
26.33 special purpose and which are assigned to the enterprise fleet. The amount of reimbursement

27.1 for a motor vehicle is its average wholesale price as determined from the midwest edition
27.2 of the National Automobile Dealers Association official used car guide.

27.3 (b) To the extent that funds are available for the purpose, the commissioner may purchase
27.4 or otherwise acquire additional passenger motor vehicles and trucks necessary for the
27.5 enterprise fleet. The title to all motor vehicles assigned to or purchased or acquired for the
27.6 enterprise fleet is in the name of the Department of Administration.

27.7 (c) On the request of an agency, the commissioner may transfer to the enterprise fleet
27.8 any passenger motor vehicle or truck for the purpose of disposing of it. The department or
27.9 agency transferring the vehicle or truck must be paid for it from the motor pool revolving
27.10 account established by this section in an amount equal to two-thirds of the average wholesale
27.11 price of the vehicle or truck as determined from the midwest edition of the National
27.12 Automobile Dealers Association official used car guide.

27.13 (d) The commissioner shall provide for the uniform marking of all motor vehicles. Motor
27.14 vehicle colors must be selected from the regular color chart provided by the manufacturer
27.15 each year. The commissioner may further provide for the use of motor vehicles without
27.16 marking by:

27.17 (1) the governor;

27.18 (2) the lieutenant governor;

27.19 (3) the Division of Criminal Apprehension, the Division of Alcohol and Gambling
27.20 Enforcement, and arson investigators of the Division of Fire Marshal in the Department of
27.21 Public Safety;

27.22 (4) the Financial Institutions Division and investigative staff of the Department of
27.23 Commerce;

27.24 (5) the Division of Disease Prevention and Control of the Department of Health;

27.25 (6) the State Lottery;

27.26 (7) criminal investigators of the Department of Revenue;

27.27 (8) state-owned community service facilities in Direct Care and Treatment;

27.28 (9) the Office of the Attorney General;

27.29 (10) the investigative staff of the Gambling Control Board; ~~and~~

27.30 (11) the Department of Corrections inmate community work crew program under section
27.31 352.91, subdivision 3g.; and

28.1 (12) the Office of Ombudsman for Long-Term Care.

28.2 Sec. 18. **[16B.851] STATE BUILDING RENEWABLE ENERGY; STORAGE;**
28.3 **ELECTRIC VEHICLE ACCOUNT.**

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

28.6 (b) "Energy storage" means the predesign, design, acquisition, construction, or installation
28.7 of technology which stores and delivers electric or thermal energy.

28.8 (c) "EVSE" means electric vehicle service equipment, including charging equipment
28.9 and associated infrastructure and site upgrades.

28.10 (d) "Renewable energy" has the meaning given in section 216B.2422, subdivision 1,
28.11 paragraph (c), and the same sources in thermal energy.

28.12 (e) "Renewable energy improvement" means the predesign, design, acquisition,
28.13 construction, or installation of a renewable energy production system or energy storage
28.14 equipment or system, and associated infrastructure and facilities, that is designed to result
28.15 in a demand-side net reduction in energy use by the state building's electrical, heating,
28.16 ventilating, air-conditioning, or hot water systems.

28.17 (f) "State agency" has the definition given in section 13.02, subdivision 17, or the
28.18 designated definition given in section 15.01 and includes the Office of Higher Education,
28.19 Housing Finance Agency, Pollution Control Agency, and Bureau of Mediation Services.
28.20 State agency includes agencies, boards, commissions, committees, councils, and authorities
28.21 as defined in section 15.012.

28.22 (g) "State building" means a building or facility owned by the state of Minnesota.

28.23 Subd. 2. **Account established.** A state building renewable energy, storage, and electric
28.24 vehicle account is established in the special revenue fund to provide funds to state agencies
28.25 to:

28.26 (1) design, construct, and equip renewable energy improvement and renewable energy
28.27 storage projects at state buildings;

28.28 (2) purchase state fleet electric vehicles in accordance with section 16C.135;

28.29 (3) purchase and install EVSE and related infrastructure; and

28.30 (4) carry out management of the program by the commissioner.

29.1 Subd. 3. **Account management.** The commissioner shall manage and administer the
29.2 state building renewable energy, storage, and electric vehicle account.

29.3 Subd. 4. **Accepting funds.** (a) The commissioner shall be responsible for making
29.4 application to the federal government on behalf of the state of Minnesota for state projects
29.5 eligible for elective payments under sections 6417 and 6418 of the Internal Revenue Code,
29.6 as added by Public Law 117-169, 136 Statute 1818, the Inflation Reduction Act of 2022.

29.7 (b) The commissioner may apply for, receive, and expend money made available from
29.8 federal, state, or other sources for the purposes of carrying out the duties in this section.

29.9 (c) Notwithstanding section 16A.72, all funds received under this subdivision are
29.10 deposited into the state building renewable energy, storage, and electric vehicle account
29.11 and appropriated to the commissioner for the purposes of subdivision 2 and as permitted
29.12 under this section.

29.13 (d) Money in the state building renewable energy, storage, and electric vehicle account
29.14 does not cancel and is available until expended.

29.15 Subd. 5. **Applications.** A state agency applying for state building renewable energy,
29.16 storage, EVSE, and electric fleet vehicle funds must submit an application to the
29.17 commissioner on a form, in the manner, and at the time prescribed by the commissioner.

29.18 Subd. 6. **Treatment of certain payments received from federal government.** (a)
29.19 Federal payments received for eligible renewable energy improvement and storage projects,
29.20 and EVSE projects, made with appropriations from general obligation bonds, may be
29.21 transferred to the state bond fund, if consistent with federal treasury regulations.

29.22 (b) Federal payments received for eligible electric fleet vehicle purchases by the
29.23 Department of Administration's fleet division must be transferred to the motor pool revolving
29.24 account established in section 16B.54, subdivision 8.

29.25 (c) Federal payments received for eligible electric fleet vehicle purchases made directly
29.26 by a state agency shall be transferred to the fund from which the purchase was made.

29.27 (d) When obligated to fulfill financing agreements, federal payments received for eligible
29.28 renewable energy improvements shall be transferred to the appropriate agency.

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

29.30 Sec. 19. Minnesota Statutes 2024, section 16B.97, subdivision 1, is amended to read:

29.31 Subdivision 1. ~~Grant agreement~~ **Definitions.** (a) For purposes of this section, the
29.32 following terms have the meanings given:

30.1 ~~A grant agreement is~~ (1) "grant agreement" means a written instrument or electronic
 30.2 document defining a legal relationship between a granting agency and a grantee when the
 30.3 principal purpose of the relationship is to transfer cash or something of value to the recipient
 30.4 to support a public purpose authorized by law instead of acquiring by professional or technical
 30.5 contract, purchase, lease, or barter property or services for the direct benefit or use of the
 30.6 granting agency-; and

30.7 (2) "grantee" means a potential or current recipient of a state-issued grant.

30.8 (b) This section does not apply to general obligation grants as defined by section 16A.695
 30.9 ~~and~~, capital project grants to political subdivisions as defined by section 16A.86, or capital
 30.10 project grants otherwise subject to section 16A.642, all of which are subject to the policies
 30.11 and procedures adopted by the commissioner of management and budget and other
 30.12 requirements specified in applicable law.

30.13 Sec. 20. Minnesota Statutes 2024, section 16B.98, subdivision 1, is amended to read:

30.14 Subdivision 1. **Limitation.** (a) As a condition of receiving a grant from an appropriation
 30.15 of state funds, the recipient of the grant must agree ~~to minimize that~~ administrative costs
 30.16 must be necessary and reasonable. The granting agency is responsible for negotiating
 30.17 appropriate limits to these costs so that the state derives the optimum benefit for grant
 30.18 funding.

30.19 (b) This section does not apply to general obligation grants as defined by section 16A.695
 30.20 and also capital project grants to political subdivisions as defined by section 16A.86, or
 30.21 capital project grants otherwise subject to section 16A.642.

30.22 Sec. 21. Minnesota Statutes 2024, section 16B.98, subdivision 4, is amended to read:

30.23 Subd. 4. **Reporting of violations.** A state employee who discovers evidence of violation
 30.24 of laws or rules governing grants is ~~encouraged~~ required to report the violation or suspected
 30.25 violation to the employee's supervisor, the commissioner or the commissioner's designee,
 30.26 or the legislative auditor. The legislative auditor shall report to the Legislative Audit
 30.27 Commission if there are multiple complaints about the same agency. The auditor's report
 30.28 to the Legislative Audit Commission under this section must disclose only the number and
 30.29 type of violations alleged. An employee making a good faith report under this section has
 30.30 the protections provided for under section 181.932, prohibiting the employer from
 30.31 discriminating against the employee.

31.1 Sec. 22. Minnesota Statutes 2024, section 16B.981, subdivision 4, is amended to read:

31.2 Subd. 4. **Agency authority to not award grant.** (a) If, while performing the required
31.3 steps in subdivision 2 and pursuant to sections 16B.97, 16B.98, and 16B.991, the agency
31.4 requires additional information to determine whether there is a substantial risk that the
31.5 potential grantee cannot or would not perform the required duties of the grant agreement,
31.6 the agency must give the grantee ~~30-business~~ 15 calendar days within which the grantee
31.7 can respond to the agency for the purpose of satisfying the agency's concerns or work with
31.8 the agency to develop a plan to satisfy the concerns.

31.9 (b) If, after performing the required steps in subdivision 2 and pursuant to sections
31.10 16B.97, 16B.98, and 16B.991, and after reviewing any additional requested information
31.11 from the grantee, the agency still has concerns that there is a substantial risk that a potential
31.12 grantee cannot or would not perform the required duties under the grant agreement, the
31.13 agency must either create a plan to satisfy remaining concerns with the grantee or must not
31.14 award the grant.

31.15 (c) If, pursuant to paragraphs (a) and (b), the agency does not award a competitive,
31.16 single-source, or sole-source grant, the agency must provide notification to the grantee and
31.17 the commissioner of administration of the determination. The notification to the grantee
31.18 must include the agency's reason for postponing or forgoing the grant, including information
31.19 sufficient to explain and support the agency's decision, and notify the applicant of the process
31.20 for contesting the agency's decision ~~with the agency and the applicant's options under~~
31.21 ~~paragraph (d). If the applicant contests the agency's decision no later than 15 business days~~
31.22 ~~after receiving the notice, the agency must consider any additional written information~~
31.23 ~~submitted by the grantee. The agency has 15 business days to consider this information,~~
31.24 ~~during which the agency may reverse or modify the agency's initial decision to postpone~~
31.25 ~~or forgo the grant.~~

31.26 (d) The final decision by an agency under paragraph (c) may be challenged as a contested
31.27 case under chapter 14. The contested case proceeding must be initiated within 30 ~~business~~
31.28 calendar days of the date of written notification of a final decision by the agency.

31.29 (e) If, pursuant to paragraphs (a) and (b), the agency does not award a legislatively named
31.30 grant, the agency must delay award of the grant until adjournment of the next regular or
31.31 special legislative session for action from the legislature. The agency must provide
31.32 notification to the potential grantee, the commissioner of administration, and the chairs and
31.33 ranking minority members of the Ways and Means Committee in the house of representatives
31.34 and the chairs and ranking minority members of the Finance Committee in the senate. The

32.1 notification to the grantee must include the agency's reason for postponing or forgoing the
32.2 grant, including information sufficient to explain and support the agency's decision and
32.3 notify the applicant of the process for contesting the agency's decision under paragraph (d).
32.4 ~~If the applicant contests the agency's decision no later than 15 business days after receiving~~
32.5 ~~the notice, the agency must consider any additional written information submitted by the~~
32.6 ~~grantee. The agency has 15 business days to consider this information, during which the~~
32.7 ~~agency may reverse or modify the agency's initial decision to postpone or forgo the grant.~~
32.8 The notification to the commissioner of administration and legislators must identify the
32.9 legislatively named potential grantee and the agency's reason for postponing or forgoing
32.10 the grant. After hearing the concerns of the agency, the legislature may reaffirm the award
32.11 of the grant or reappropriate the funds to a different legislatively named grantee. Based on
32.12 the action of the legislature, the agency must award the grant to the legislatively named
32.13 grantee. If the legislature does not provide direction to the agency on the disposition of the
32.14 grant, the funds revert to the original appropriation source.

32.15 Sec. 23. Minnesota Statutes 2024, section 16B.991, subdivision 2, is amended to read:

32.16 Subd. 2. **Authority.** A grant agreement must by its terms permit the commissioner to
32.17 unilaterally terminate the grant agreement prior to completion if the commissioner determines
32.18 that further performance under the grant agreement would not serve agency purposes or
32.19 performance under the grant agreement is not in the best interests of the state.

32.20 Sec. 24. Minnesota Statutes 2024, section 16C.05, is amended by adding a subdivision to
32.21 read:

32.22 Subd. 8. **Unenforceable terms.** (a) A contract entered into by the state shall not contain
32.23 a term that:

32.24 (1) requires the state to defend, indemnify, or hold harmless another person or entity,
32.25 unless specifically authorized by statute;

32.26 (2) binds a party by terms and conditions that may be unilaterally changed by the other
32.27 party;

32.28 (3) requires mandatory arbitration;

32.29 (4) attempts to extend arbitration obligations to disputes unrelated to the original contract;

32.30 (5) construes the contract in accordance with the laws of a state other than Minnesota;

32.31 (6) obligates state funds in subsequent fiscal years in the form of automatic renewal as
32.32 defined in section 325G.56; or

33.1 (7) is inconsistent with chapter 13, the Minnesota Government Data Practices Act.

33.2 (b) If a contract is entered into that contains a term prohibited in paragraph (a), that term
33.3 shall be void and the contract is enforceable as if it did not contain that term.

33.4 (c) The commissioner shall post a copy of this section on its website.

33.5 Sec. 25. Minnesota Statutes 2024, section 16C.137, subdivision 2, is amended to read:

33.6 Subd. 2. **Report Evaluation.** (a) The commissioner of administration, in collaboration
33.7 with the commissioners of the Pollution Control Agency, the Departments of Agriculture,
33.8 Commerce, Natural Resources, and Transportation, and other state departments, must
33.9 evaluate the goals and directives established in this section and report include their findings
33.10 ~~to the governor and the appropriate committees of the legislature by February 1 of each~~
33.11 ~~odd-numbered year~~ in the public dashboard under section 16B.372. In the ~~report~~ public
33.12 dashboard, the commissioner must make recommendations for new or adjusted goals,
33.13 directives, or legislative initiatives, in light of the progress the state has made implementing
33.14 this section and the availability of new or improved technologies.

33.15 (b) The Department of Administration shall implement a fleet reporting and information
33.16 management system. Each department will use this management system to demonstrate its
33.17 progress in complying with this section.

33.18 Sec. 26. Minnesota Statutes 2024, section 16C.16, subdivision 2, is amended to read:

33.19 Subd. 2. **Small business.** The commissioner shall adopt the size standards for "~~small~~
33.20 ~~business~~" ~~found in Code of Federal Regulations, title 49, section 26.65,~~ a small business
33.21 for purposes of sections 16C.16 to 16C.21, 137.31, 137.35, 161.321, and 473.142, provided
33.22 that the business has its principal place of business in Minnesota. The commissioner may
33.23 use the definition for "small business" in the Code of Federal Regulations, title 49, section
33.24 26.65, or may adopt another standard.

33.25 Sec. 27. Minnesota Statutes 2024, section 16C.16, subdivision 6, is amended to read:

33.26 Subd. 6. **Purchasing methods.** (a) The commissioner may award up to a 12 percent
33.27 preference for specified goods or services to small targeted group businesses.

33.28 (b) The commissioner may award a contract for goods, services, or construction directly
33.29 to a small business or small targeted group business without going through a competitive
33.30 solicitation process up to a total contract award value, including extension options, of
33.31 \$100,000.

(c) The commissioner may designate a purchase of goods or services for award only to small businesses or small targeted group businesses if the commissioner determines that at least three small businesses or small targeted group businesses are likely to respond to a solicitation.

(d) The commissioner, as a condition of awarding a construction contract or approving a contract for professional or technical services, may set goals that require the prime contractor to subcontract a portion of the contract to small businesses or small targeted group businesses. The commissioner must establish a procedure for granting waivers from the subcontracting requirement when qualified small businesses or small targeted group businesses are not reasonably available. The commissioner may establish financial incentives for prime contractors who exceed the goals for use of small business or small targeted group business subcontractors and financial penalties for prime contractors who fail to meet goals under this paragraph. ~~The subcontracting requirements of this paragraph do not apply to prime contractors who are small businesses or small targeted group businesses.~~

Sec. 28. Minnesota Statutes 2024, section 16C.16, subdivision 6a, is amended to read:

Subd. 6a. Veteran-owned small businesses. (a) Except when mandated by the federal government as a condition of receiving federal funds, the commissioner shall award up to a 12 percent preference, but no less than the percentage awarded to any other group under this section, on state procurement to certified small businesses that are majority-owned and operated by veterans.

(b) The commissioner may award a contract for goods, services, or construction directly to a veteran-owned small business without going through a competitive solicitation process up to a total contract award value, including extension options, of \$100,000.

(c) The commissioner may designate a purchase of goods or services for award only to a veteran-owned small business if the commissioner determines that at least three veteran-owned small businesses are likely to respond to a solicitation.

(d) The commissioner, as a condition of awarding a construction contract or approving a contract for professional or technical services, may set goals that require the prime contractor to subcontract a portion of the contract to a veteran-owned small business. The commissioner must establish a procedure for granting waivers from the subcontracting requirement when qualified veteran-owned small businesses are not reasonably available. The commissioner may establish financial incentives for prime contractors who exceed the goals for use of veteran-owned small business subcontractors and financial penalties for prime contractors who fail to meet goals under this paragraph. ~~The subcontracting~~

35.1 ~~requirements of this paragraph do not apply to prime contractors who are veteran-owned~~
35.2 ~~small businesses.~~

35.3 (e) The purpose of this designation is to facilitate the transition of veterans from military
35.4 to civilian life, and to help compensate veterans for their sacrifices, including but not limited
35.5 to their sacrifice of health and time, to the state and nation during their military service, as
35.6 well as to enhance economic development within Minnesota.

35.7 (f) Before the commissioner certifies that a small business is majority-owned and operated
35.8 by a veteran, the commissioner of veterans affairs must verify that the owner of the small
35.9 business is a veteran, as defined in section 197.447.

35.10 Sec. 29. Minnesota Statutes 2024, section 16C.16, subdivision 7, is amended to read:

35.11 Subd. 7. **Economically disadvantaged areas.** (a) The commissioner may award up to
35.12 a 12 percent preference on state procurement to small businesses located in an economically
35.13 disadvantaged area.

35.14 (b) The commissioner may award a contract for goods, services, or construction directly
35.15 to a small business located in an economically disadvantaged area without going through
35.16 a competitive solicitation process up to a total contract award value, including extension
35.17 options, of \$100,000.

35.18 (c) The commissioner may designate a purchase of goods or services for award only to
35.19 a small business located in an economically disadvantaged area if the commissioner
35.20 determines that at least three small businesses located in an economically disadvantaged
35.21 area are likely to respond to a solicitation.

35.22 (d) The commissioner, as a condition of awarding a construction contract or approving
35.23 a contract for professional or technical services, may set goals that require the prime
35.24 contractor to subcontract a portion of the contract to a small business located in an
35.25 economically disadvantaged area. The commissioner must establish a procedure for granting
35.26 waivers from the subcontracting requirement when qualified small businesses located in an
35.27 economically disadvantaged area are not reasonably available. The commissioner may
35.28 establish financial incentives for prime contractors who exceed the goals for use of
35.29 subcontractors that are small businesses located in an economically disadvantaged area and
35.30 financial penalties for prime contractors who fail to meet goals under this paragraph. The
35.31 ~~subcontracting requirements of this paragraph do not apply to prime contractors who are~~
35.32 ~~small businesses located in an economically disadvantaged area.~~

35.33 (e) A business is located in an economically disadvantaged area if:

(1) the owner resides in or the business is located in a county in which the median income for married couples is less than 70 percent of the state median income for married couples;

(2) the owner resides in or the business is located in an area designated a labor surplus area by the United States Department of Labor; or

(3) the business is a certified rehabilitation facility or extended employment provider as described in chapter 268A.

(f) The commissioner may designate one or more areas designated as targeted neighborhoods under section 469.202 or as border city enterprise zones under section 469.166 as economically disadvantaged areas for purposes of this subdivision if the commissioner determines that this designation would further the purposes of this section. If the owner of a small business resides or is employed in a designated area, the small business is eligible for any preference provided under this subdivision.

(g) The Department of Revenue shall gather data necessary to make the determinations required by paragraph (e), clause (1), and shall annually certify counties that qualify under paragraph (e), clause (1). An area designated a labor surplus area retains that status for 120 days after certified small businesses in the area are notified of the termination of the designation by the United States Department of Labor.

Sec. 30. Minnesota Statutes 2024, section 16D.09, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) When a debt is determined by a state agency to be uncollectible, the debt may be written off by the state agency from the state agency's financial accounting records and no longer recognized as an account receivable for financial reporting purposes. A debt is considered to be uncollectible when (1) all reasonable collection efforts have been exhausted, (2) the cost of further collection action will exceed the amount recoverable, (3) the debt is legally without merit or cannot be substantiated by evidence, (4) the debtor cannot be located, (5) the available assets or income, current or anticipated, that may be available for payment of the debt are insufficient, (6) the debt has been discharged in bankruptcy, (7) the applicable statute of limitations for collection of the debt has expired, or (8) it is not in the public interest to pursue collection of the debt.

(b) Uncollectible debt must be reported by the state agency as part of its quarterly reports to the commissioner of management and budget. The basis for the determination of the uncollectibility of the debt must be maintained by the state agency. If an uncollectible debt equals or exceeds \$100,000, the agency shall notify the chairs and ranking minority members of the legislative committees with jurisdiction over the state agency's budget at the time the

debt is determined to be uncollectible. The information reported shall contain the entity associated with the uncollected debt, the amount of the debt, the revenue type, the reason the debt is considered uncollectible, and the duration the debt has been outstanding. The commissioner of management and budget shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over Minnesota Management and Budget an annual summary of the number and dollar amount of debts determined to be uncollectible during the previous fiscal year by ~~October 31~~ November 30 of each year. Determining that the debt is uncollectible does not cancel the legal obligation of the debtor to pay the debt.

Sec. 31. Minnesota Statutes 2024, section 43A.231, subdivision 3, is amended to read:

Subd. 3. Procurement of a pharmacy benefit manager. (a) Notwithstanding any law to the contrary, the commissioner of management and budget shall procure a contract for the services of a pharmacy benefit manager to administer the prescription drug benefit and pharmacy benefit management services, effective January 1, 2023. For subsequent procurements, if the commissioner intends to separate prescription drug benefit and pharmacy benefit management services into multiple vendors or intends to fold prescription drug benefits into the overall medical benefit, rather than a single full-service pharmacy benefit manager, this section shall not apply.

(b) For the contract effective January 1, 2023, the commissioner shall conduct a reverse auction as described in this section to select the pharmacy benefit manager and use a reverse auction for procurement of subsequent pharmacy benefit manager contracts as provided in subdivision 5, paragraph (b).

(c) In consultation with the technology platform vendor selected under subdivision 4, the commissioner shall specify the terms of a participant bidding agreement that all bidders must accept as a prerequisite for participation in the reverse auction process, including:

(1) common definitions;

(2) prescription drug classifications;

(3) retail pricing rules, including maximum allowable cost price lists and dispensing fees; and

(4) any other contract terms the commissioner deems necessary to further the purpose of this section as specified under subdivision 2.

(d) A pharmacy benefit manager who submits a bid under this subdivision must provide the commissioner access to complete pharmacy claims data necessary for the commissioner to conduct the reverse auction and to carry out administrative and management duties.

(e) The terms of a contract entered into under this subdivision shall not be modified by the pharmacy benefit manager except with the approval of the commissioner.

(f) The commissioner may structure the contract awarded under this subdivision to pay the cost of the technology platform and the associated professional services contracted for under this subdivision by assessing a fee per prescription to be paid directly by the pharmacy benefit manager to the technology platform vendor.

(g) The commissioner must perform annual market checks on pharmacy benefit manager services performed by the pharmacy benefit manager during the term of the contract. A market check performed under this paragraph may include an evaluation of the effect of alternative drug pricing metrics, such as the national average drug acquisition cost and average wholesale price, on the cost of prescription drugs and savings to the state.

(h) The commissioner shall make regular, periodic payment of invoices within the time periods specified in the contract based on the automated adjudication of invoiced claims using the technology platform to validate that claims payments comply with the terms of the contract.

(i) The joint labor-management committee on health plans shall assist in the process through which the commissioner conducts the reverse auction, evaluation, and comparison of the competing pharmacy benefit manager bids for award of the contract.

Sec. 32. Minnesota Statutes 2024, section 43A.231, subdivision 4, is amended to read:

Subd. 4. **Technology platform.** ~~(a) At least three months before the reverse auction process is scheduled to be completed,~~ The commissioner shall procure through a competitive bidding process a contract with a professional services vendor for a technology platform and any associated professional services necessary to operate the platform to:

(1) evaluate the qualifications of prospective pharmacy benefit manager bidders for the pharmacy benefit manager procurement;

(2) automatically adjudicate prescription drug claims; and

(3) collect data on pharmacy reimbursement.

(b) The platform procured under paragraph (a) must have the following capabilities to ensure optimal performance of the reverse auction and security of data:

39.1 (1) host and conduct an online automated reverse auction:

39.2 (i) using a software application and high-performance data infrastructure to intake,
39.3 cleanse, and normalize pharmacy benefit manager data; and

39.4 (ii) with development methods and information security standards that have been validated
39.5 by receiving Service Organization Control 2 (SOC 2) and National Institute of Standards
39.6 and Technology certification;

39.7 (2) automate repricing of diverse and complex pharmacy benefit manager prescription
39.8 drug pricing proposals to enable direct comparisons of the price of bids using all annual
39.9 claims data available for the program using code-based classification or prescription drugs
39.10 from nationally accepted drug sources;

39.11 (3) simultaneously evaluate, ~~within six hours~~, diverse and complex multiple proposals
39.12 from full-service pharmacy benefit managers that shall include at least guaranteed net cost,
39.13 Average Wholesale Price and National Average Drug Acquisition Cost (NADAC) pricing
39.14 models, as well as proposals from pharmacy benefit administrators and specialty drug and
39.15 rebate carve-out services providers; and

39.16 (4) produce an automated report and analysis of bids, including ranking of bids on the
39.17 comparative costs and qualitative aspects of the costs ~~within six hours~~ after the close of
39.18 each round of reverse auction bidding; and.

39.19 ~~(5) after the close of the reverse auction process, perform an electronic, line-by-line,~~
39.20 ~~claim-by-claim review of all invoiced pharmacy benefit manager claims within six hours~~
39.21 ~~of receipt that allows for an online comparison of pharmacy benefit manager invoices and~~
39.22 ~~identifies all deviations from the specific terms of the services contract resulting from the~~
39.23 ~~reverse auction.~~

39.24 (c) The commissioner may require additional capabilities or more rigorous standards
39.25 than those specified in paragraph (b).

39.26 (d) The commissioner shall not award the platform technology vendor contract under
39.27 this subdivision to:

39.28 (1) a pharmacy benefit manager;

39.29 (2) a subsidiary or affiliate of a pharmacy benefit manager; or

39.30 (3) a vendor who is managed by a pharmacy benefit manager or who receives, directly
39.31 or indirectly, remuneration from a pharmacy benefit manager for aggregating clients into
39.32 a contractual relationship with a pharmacy benefit manager.

(c) ~~The vendor who is awarded the contract under this subdivision must not subcontract any part of the reverse auction process or the review described under paragraph (b), clause (5).~~ The commissioner shall also hire a vendor to perform an electronic, line-by-line, claim-by-claim review of all invoiced pharmacy benefit manager claims that allows for an online comparison of pharmacy benefit manager invoices and identifies all deviations from the specific terms of the services contract resulting from the reverse auction. The claim review vendor and the platform vendor may be the same or they may be distinct.

Sec. 33. Minnesota Statutes 2024, section 43A.231, subdivision 6, is amended to read:

Subd. 6. **Data protections.** The commissioner of management and budget may only enter into an agreement with ~~a technology platform vendor~~ vendors under this section if the ~~agreement provides~~ agreements provide privacy protections for data collected and maintained by the ~~technology platform vendor~~ vendors, including:

(1) procedures for the prevention of unauthorized access or use;

(2) a prohibition on the sale of data collected and maintained as provided in the agreement; and

(3) a prohibition on dissemination of data unless authorized by state or federal law or the agreement.

Sec. 34. Minnesota Statutes 2024, section 43A.27, subdivision 3, is amended to read:

Subd. 3. **Retired employees.** (a) A person may elect to purchase at personal expense individual and dependent hospital, medical, and dental coverages if the person is:

(1) a retired employee of the state or an organization listed in subdivision 2 or section 43A.24, subdivision 2, who, at separation of service:

(i) is immediately eligible to receive a retirement benefit under chapter 354B or an annuity under a retirement program sponsored by the state or such organization of the state;

(ii) immediately meets the age and service requirements in section 352.115, subdivision 1; and

(iii) has five years of service or meets the service requirement of the collective bargaining agreement or plan, whichever is greater; or

(2) a retired employee of the state who is at least 50 years of age and has at least 15 years of state service.

(b) The commissioner shall offer at least one plan which is actuarially equivalent to those made available through collective bargaining agreements or plans established under section 43A.18 to employees in positions equivalent to that from which retired.

(c) A spouse of a person eligible under paragraph (a) may purchase the coverage listed in this subdivision if the spouse was a dependent under the retired employee's coverage at the time of the retiree's death.

(d) A spouse of a person eligible under paragraph (a) who is a dependent under the retired employee's coverage may purchase the coverage listed in this subdivision if the retired employee loses eligibility for coverage because the retired employee enrolls in medical assistance under chapter 256B and has a disability that meets the categorical eligibility requirements of the Supplemental Security Income program.

~~(d)~~ (e) Coverages must be coordinated with relevant health insurance benefits provided through the federally sponsored Medicare program. Until the retired employee reaches age 65, the retired employee and dependents must be pooled in the same group as active employees for purposes of establishing premiums and coverage for hospital, medical, and dental insurance. Coverage for retired employees and their dependents may not discriminate on the basis of evidence of insurability or preexisting conditions unless identical conditions are imposed on active employees in the group that the employee left. Appointing authorities shall provide notice to employees no later than the effective date of their retirement of the right to exercise the option provided in this subdivision. The retired employee must notify the commissioner or designee of the commissioner within 30 days after the effective date of the retirement of intent to exercise this option.

Sec. 35. Minnesota Statutes 2024, section 240.131, subdivision 7, is amended to read:

Subd. 7. **Payments to state.** (a) A regulatory fee is imposed at the rate of ~~one~~ two percent of all amounts wagered by Minnesota residents with an authorized advance deposit wagering provider. The fee shall be declared on a form prescribed by the commission. The ADW provider must pay the fee to the commission no more than 15 days after the end of the month in which the wager was made. Fees collected under this paragraph must be deposited in the state treasury and credited to a racing and card-playing regulation account in the special revenue fund and are appropriated to the commission to offset the costs incurred by the commission as described in section 240.30, subdivision 9, or the costs associated with regulating horse racing and pari-mutuel wagering in Minnesota.

(b) A breeders fund fee is imposed in the amount of one-quarter of one percent of all amounts wagered by Minnesota residents with an authorized advance deposit wagering

provider. The fee shall be declared on a form prescribed by the commission. The ADW provider must pay the fee to the commission no more than 15 days after the end of the month in which the wager was made. Fees collected under this paragraph must be deposited in the state treasury and credited to a racing and card-playing regulation account in the special revenue fund and are appropriated to the commission to offset the cost of administering the breeders fund, to support racehorse adoption, retirement, and repurposing, and promote horse breeding in Minnesota.

Sec. 36. Minnesota Statutes 2024, section 349A.01, is amended by adding a subdivision to read:

Subd. 13a. **Responsible lottery official.** "Responsible lottery official" means an officer, director, or owner of an organization, firm, partnership, or corporation that have oversight of lottery ticket sales.

Sec. 37. Minnesota Statutes 2024, section 349A.06, subdivision 2, is amended to read:

Subd. 2. **Qualifications.** (a) The director may not contract with a ~~retailer~~ sole proprietor to be a lottery retailer who:

(1) is under the age of 18;

(2) is in business solely as a seller of lottery tickets;

(3) owes \$500 or more in delinquent taxes as defined in section 270C.72;

(4) has been convicted within the previous five years of a felony or gross misdemeanor, any crime involving fraud or misrepresentation, or a gambling-related offense in any jurisdiction in the United States;

(5) is a member of the immediate family, residing in the same household, as the director or any employee of the lottery;

(6) in the director's judgment does not have the financial stability or responsibility to act as a lottery retailer, or whose contracting as a lottery retailer would adversely affect the public health, welfare, and safety, or endanger the security and integrity of the lottery; or

(7) is a currency exchange, as defined in section 53A.01.

~~A contract entered into before August 1, 1990, which violates clause (7) may continue in effect until its expiration but may not be renewed.~~

(b) The director may not contract with an organization, firm, partnership, or corporation to be a lottery retailer that:

(1) has a responsible lottery official who: (i) is under the age of 18; (ii) owes \$500 or more in delinquent taxes as defined in section 270C.72; or (iii) has been convicted within the previous five years of a felony or gross misdemeanor, any crime involving fraud or misrepresentation, or a gambling-related offense in any jurisdiction in the United States;

(2) ~~An organization, firm, partnership, or corporation~~ that has a stockholder who owns more than five percent of the business or the stock of the corporation, a responsible lottery official, an officer, or a director, ~~that does not meet the requirements of paragraph (a), clause (4), is not eligible to be a lottery retailer under this section~~ who is a member of the immediate family of, or resides in the same household as, the director or any employee of the lottery;

(3) is in business solely as a seller of lottery tickets;

(4) in the director's judgment does not have the financial stability or responsibility to act as a lottery retailer, or whose contracting as a lottery retailer would adversely affect public health, welfare, and safety, or endanger the security and integrity of the lottery; or

(5) is a currency exchange, as defined in section 53A.01.

~~(e) The restrictions under paragraph (a), clause (4), do not apply to an organization, partnership, or corporation if the director determines that the organization, partnership, or firm has terminated its relationship with the individual whose actions directly contributed to the disqualification under this subdivision.~~

Sec. 38. Minnesota Statutes 2024, section 349A.06, subdivision 4, is amended to read:

Subd. 4. **Criminal history.** (a) Upon the director's request, an applicant for a lottery retailer contract must submit a completed criminal history records check consent form, a full set of classifiable fingerprints, and required fees to the director or the Bureau of Criminal Apprehension. Upon receipt of this information, the director must submit the completed criminal history records check consent form, full set of classifiable fingerprints, and required fees to the Bureau of Criminal Apprehension.

(b) After receiving this information, the bureau must conduct a Minnesota criminal history records check of the individual. The bureau is authorized to exchange the fingerprints with the Federal Bureau of Investigation to obtain the applicant's national criminal history record information. The bureau shall return the results of the Minnesota and national criminal history records checks to the director to determine the individual's compliance with the requirements of subdivision 2.

(c) The director shall request a Minnesota and national criminal history check for any sole proprietor or responsible lottery official who applies to be a lottery retailer who (1) has

44.1 not undergone a check under this section within the past seven years or (2) has had any
44.2 lapse in its contracts to sell lottery tickets.

44.3 (d) The director may request the director of alcohol and gambling enforcement to
44.4 investigate all applicants for lottery retailer contracts to determine their compliance with
44.5 the requirements of subdivision 2. The director may issue a temporary contract, valid for
44.6 not more than 90 days, to an applicant pending the completion of the investigation or a final
44.7 determination of qualifications under this section. The director has access to all criminal
44.8 history data compiled by the director of alcohol and gambling enforcement and the Bureau
44.9 of Criminal Apprehension on (1) any person holding or applying for a retailer contract, (2)
44.10 any person holding a lottery vendor contract or who has submitted a bid on such a contract,
44.11 and (3) any person applying for employment with the lottery.

44.12 Sec. 39. Minnesota Statutes 2024, section 349A.06, subdivision 11, is amended to read:

44.13 Subd. 11. **Cancellation, suspension, and refusal to renew contracts or locations.** (a)
44.14 The director shall cancel the contract of any lottery retailer or prohibit a lottery retailer from
44.15 selling lottery tickets at a business location who:

44.16 (1) ~~has~~ is a sole proprietor or has a responsible lottery official who has been convicted
44.17 of a felony or gross misdemeanor in any jurisdiction in the United States;

44.18 (2) ~~has~~ is a sole proprietor or has a responsible lottery official who has committed fraud,
44.19 misrepresentation, or deceit any crime involving fraud or misrepresentation, or a
44.20 gambling-related offense in any jurisdiction in the United States;

44.21 (3) has provided false or misleading information to the lottery; or

44.22 (4) has acted in a manner prejudicial to public confidence in the integrity of the lottery.

44.23 (b) The director may cancel, suspend, or refuse to renew the contract of any lottery
44.24 retailer or prohibit a lottery retailer from selling lottery tickets at a business location who:

44.25 (1) changes business location;

44.26 (2) fails to account for lottery tickets received or the proceeds from tickets sold;

44.27 (3) fails to remit funds to the director in accordance with the director's rules;

44.28 (4) violates a law or a rule or order of the director;

44.29 (5) fails to comply with any of the terms in the lottery retailer's contract;

44.30 (6) fails to file a bond, securities, or a letter of credit as required under subdivision 3;

(7) in the opinion of the director fails to maintain a sufficient sales volume to justify continuation as a lottery retailer; or

(8) has violated section 340A.503, subdivision 2, clause (1), two or more times within a two-year period.

(c) The director may also cancel, suspend, or refuse to renew a lottery retailer's contract or prohibit a lottery retailer from selling lottery tickets at a business location if there is a material change in any of the factors considered by the director under subdivision 2.

(d) A contract cancellation, suspension, refusal to renew, or prohibiting a lottery retailer from selling lottery tickets at a business location under this subdivision is a contested case under sections 14.57 to 14.69 and is in addition to any criminal penalties provided for a violation of law or rule.

(e) The director may temporarily suspend a contract or temporarily prohibit a lottery retailer from selling lottery tickets at a business location without notice for any of the reasons specified in this subdivision provided that a hearing is conducted within seven days after a request for a hearing is made by a lottery retailer. Within 20 days after receiving the administrative law judge's report, the director shall issue an order vacating the temporary suspension or prohibition or making any other appropriate order. If no hearing is requested within 30 days of the temporary suspension or prohibition taking effect, the suspension or prohibition becomes permanent unless the director vacates or modifies the order.

Sec. 40. **REVISOR INSTRUCTION.**

The revisor of statutes shall change the term "Office of Administrative Hearings" to "Court of Administrative Hearings" wherever the term appears in Minnesota Statutes. The revisor of statutes shall also change the term "office" to "court" wherever the term "office" appears and refers to the Office of Administrative Hearings in Minnesota Statutes.

Sec. 41. **REPEALER.**

Subdivision 1. **Political and campaign provisions.** Minnesota Statutes 2024, sections 211B.06; and 211B.08, are repealed.

Subd. 2. **Model ordinance for outdoor lighting.** Minnesota Statutes 2024, section 16B.328, subdivision 2, is repealed.

Subd. 3. **Reorganization services under master contract.** Minnesota Statutes 2024, section 16C.36, is repealed.

Subd. 4. **Legislative auditor.** Minnesota Statutes 2024, section 16B.45, is repealed.

ARTICLE 3

STATE PERSONNEL MANAGEMENT

Section 1. Minnesota Statutes 2024, section 43A.01, subdivision 3, is amended to read:

Subd. 3. **Equitable compensation relationships.** It is the policy of this state ~~to attempt~~ to establish equitable compensation relationships between female-dominated, male-dominated, and balanced classes of employees in the executive branch. Compensation relationships are equitable within the meaning of this subdivision when the primary consideration in negotiating, establishing, recommending, and approving total compensation is comparability of the value of the work in relationship to other ~~positions~~ classifications in the executive branch.

Sec. 2. Minnesota Statutes 2024, section 43A.02, subdivision 14, is amended to read:

Subd. 14. **Commissioner's Nonrepresented employees compensation plan.** "~~Commissioner's~~ Nonrepresented employees compensation plan" means the plan required by section 3.855 regarding total compensation and terms and conditions of employment, including grievance administration, for employees of the executive branch who are not otherwise provided for in this chapter or other law.

Sec. 3. Minnesota Statutes 2024, section 43A.04, subdivision 1, is amended to read:

Subdivision 1. **Statewide leadership.** (a) The commissioner is the chief personnel and labor relations manager of the civil service in the executive branch.

Whenever any power or responsibility is given to the commissioner by any provision of this chapter, unless otherwise expressly provided, the power or authority applies to all employees of agencies in the executive branch and to employees in classified positions in the Office of the Legislative Auditor, the Minnesota State Retirement System, the Public Employees Retirement Association, and the Teacher's Retirement Association. Unless otherwise provided by law, the power or authority does not apply to unclassified employees in the legislative and judicial branches.

(b) The commissioner shall operate an information system from which personnel data, as defined in section 13.43, concerning employees and applicants for positions in the classified service can be retrieved.

The commissioner has access to all public and private personnel data kept by appointing authorities that will aid in the discharge of the commissioner's duties.

(c) The commissioner may consider and investigate any matters concerned with the administration of provisions of this chapter, and may order any remedial actions consistent with law. The commissioner, at the request of an agency, shall provide assistance in employee misconduct investigations. Upon request of the appointing authority, the commissioner may issue determinations on personnel matters regarding board-appointed executive directors or leaders. The commissioner shall have the right to assess from the requesting agency, any costs incurred while assisting the agency in the employee misconduct investigation. Money received by the commissioner under this paragraph is appropriated to the commissioner for purposes of this paragraph.

(d) The commissioner may assess or establish and collect premiums from all state entities to cover the costs of programs under ~~sections~~ section 15.46 ~~and 176.603~~.

Sec. 4. Minnesota Statutes 2024, section 43A.04, subdivision 4, is amended to read:

Subd. 4. **Administrative procedures.** The commissioner shall develop administrative procedures, which are not subject to the rulemaking provisions of the Administrative Procedure Act, to effect provisions of chapter 43A which do not directly affect the rights of or processes available to the general public. The commissioner may also adopt administrative procedures, not subject to the Administrative Procedure Act, which concern topics affecting the general public if those procedures concern only the internal management of the department or other agencies and if those elements of the topics which affect the general public are the subject of department rules.

Administrative procedures shall be reproduced and made available for comment in accessible digital formats under section 16E.03 to agencies, employees, and appropriate exclusive representatives certified pursuant to sections 179A.01 to 179A.25, for at least 15 days prior to implementation and shall include but are not limited to:

(1) maintenance and administration of a plan of classification for all positions in the classified service and for comparisons of unclassified positions with positions in the classified service;

(2) procedures for administration of collective bargaining agreements and plans established pursuant to section 43A.18 concerning total compensation and the terms and conditions of employment for employees;

(3) procedures for effecting all personnel actions internal to the state service such as processes and requirements for agencies to publicize job openings and consider applicants who ~~are referred or nominate themselves~~ apply, conduct of selection procedures limited to employees, noncompetitive and qualifying appointments of employees and leaves of absence;

(4) maintenance and administration of employee performance appraisal, training and other programs; and

(5) procedures for pilots of the reengineered employee selection process. Employment provisions of this chapter, associated personnel rules adopted under subdivision 3, and administrative procedures established under clauses (1) and (3) may be waived for the purposes of these pilots. The pilots may affect the rights of and processes available to members of the general public seeking employment in the classified service. The commissioner will provide public notice of any pilot directly affecting the rights of and processes available to the general public and make the administrative procedures available for comment to the general public, agencies, employees, and appropriate exclusive representatives certified pursuant to sections 179A.01 to 179A.25 for at least 30 days prior to implementation. The commissioner must publish the public notice in an accessible digital format under section 16E.03. The commissioner must provide a comment process that allows the public to submit comments through multiple formats to ensure accessibility. These formats must include telephone, digital content, and email.

Sec. 5. Minnesota Statutes 2024, section 43A.04, subdivision 8, is amended to read:

Subd. 8. **Donation of time.** Notwithstanding any law to the contrary, the commissioner shall authorize the appointing authority to permit the donation of up to eight hours of accumulated vacation time in each year by each employee who is a member of law enforcement unit number 1, 18, or 19 to their union representative for the purpose of carrying out the duties of office.

Sec. 6. Minnesota Statutes 2024, section 43A.05, subdivision 3, is amended to read:

Subd. 3. ~~Commissioner's~~ **Nonrepresented employees compensation plan.** The commissioner shall periodically develop and establish pursuant to this chapter a ~~commissioner's nonrepresented employees compensation plan.~~ The commissioner shall submit the plan to the Legislative Coordinating Commission.

49.1 Sec. 7. Minnesota Statutes 2024, section 43A.08, subdivision 1a, is amended to read:

49.2 Subd. 1a. **Additional unclassified positions.** Appointing authorities for the following
49.3 ~~agencies may designate additional unclassified positions according to this subdivision: the~~
49.4 ~~Departments of Administration; Agriculture; Children, Youth, and Families; Commerce;~~
49.5 ~~Corrections; Education; Employment and Economic Development; Explore Minnesota~~
49.6 ~~Tourism; Management and Budget; Health; Human Rights; Human Services; Labor and~~
49.7 ~~Industry; Natural Resources; Public Safety; Revenue; Transportation; and Veterans Affairs;~~
49.8 ~~the Housing Finance and Pollution Control Agencies; the State Lottery; the State Board of~~
49.9 ~~Investment; the Office of Administrative Hearings; the Department of Information~~
49.10 ~~Technology Services; an agency, including the Offices of the Attorney General, Secretary~~
49.11 ~~of State, and State Auditor; the Minnesota State Colleges and Universities; the Minnesota~~
49.12 ~~Office of Higher Education; the Perpich Center for Arts Education; Direct Care and~~
49.13 ~~Treatment; the Minnesota Zoological Board; and the Office of Emergency Medical Services,~~
49.14 may designate additional unclassified positions.

49.15 A position designated ~~by an appointing authority~~ according to this subdivision must
49.16 meet the following standards and criteria:

49.17 (1) the designation of the position would not be contrary to other law relating specifically
49.18 to that agency;

49.19 (2) the person occupying the position would report directly to the agency head or deputy
49.20 agency head and would be designated as part of the agency head's management team;

49.21 (3) the duties of the position would involve significant discretion and substantial
49.22 involvement in the development, interpretation, and implementation of agency policy;

49.23 (4) the duties of the position would not require primarily personnel, accounting, or other
49.24 technical expertise where continuity in the position would be important;

49.25 (5) there would be a need for the person occupying the position to be accountable to,
49.26 loyal to, and compatible with, the governor and the agency head, the employing statutory
49.27 board or commission, or the employing constitutional officer;

49.28 (6) the position would be at the level of division or bureau director or assistant to the
49.29 agency head; and

49.30 (7) the commissioner has approved the designation as being consistent with the standards
49.31 and criteria in this subdivision.

50.1 Sec. 8. Minnesota Statutes 2024, section 43A.08, subdivision 4, is amended to read:

50.2 Subd. 4. **Length of service for student workers.** A person may ~~not~~ only be employed
50.3 as a student worker in the unclassified service under subdivision 1 ~~for more than 36 months.~~
50.4 ~~Employment at a school that a student attends is not counted for purposes of this 36-month~~
50.5 ~~limit. Student workers in the Minnesota Department of Transportation SEEDS program~~
50.6 ~~who are actively involved in a four-year degree program preparing for a professional career~~
50.7 ~~job in the Minnesota Department of Transportation may be employed as a student worker~~
50.8 ~~for up to 48 months~~ if the person is enrolled in secondary, postsecondary, or graduate study.

50.9 Sec. 9. Minnesota Statutes 2024, section 43A.11, subdivision 9, is amended to read:

50.10 Subd. 9. ~~Rejection~~ Nonselection; explanation. If the appointing authority ~~rejects~~ does
50.11 not select a member of the finalist pool who has claimed veteran's preference, the appointing
50.12 authority shall notify the finalist in writing of the reasons for the rejection.

50.13 Sec. 10. Minnesota Statutes 2024, section 43A.121, is amended to read:

50.14 **43A.121 RANKING OF THE APPLICANT POOL.**

50.15 Applicants referred from a layoff list shall be ranked as provided in the collective
50.16 bargaining agreement or plan established under section 43A.18, under which the layoff list
50.17 was established. All other names in an applicant pool shall be ranked according to the
50.18 veteran's preference provisions of section 43A.11, subdivision 7, ~~and then in descending~~
50.19 ~~order of the number of skill matches for the vacant position.~~ If any ties in rank remain, those
50.20 names shall appear in alphabetical order.

50.21 Sec. 11. Minnesota Statutes 2024, section 43A.15, subdivision 4, is amended to read:

50.22 Subd. 4. **Provisional appointments.** The commissioner may authorize an appointing
50.23 authority to make a provisional appointment if no applicant is suitable or available for
50.24 appointment and the person to be provisionally appointed is qualified in all respects except
50.25 for completion of a licensure or certification requirement.

50.26 No person shall be employed on a provisional basis for more than six months unless the
50.27 commissioner grants an extension to a maximum of 12 months in the best interest of the
50.28 state. No extension may be granted beyond 12 months except where there is a lack of
50.29 applicants and the provisional appointee is continuing to work to complete the licensure or
50.30 certification requirement.

51.1 At the request of an appointing authority, the commissioner may authorize the
51.2 probationary appointment of a provisional appointee who has performed satisfactorily ~~for~~
51.3 ~~at least 60 days~~ and has completed the licensure or certification requirement.

51.4 Sec. 12. Minnesota Statutes 2024, section 43A.15, subdivision 7, is amended to read:

51.5 Subd. 7. **Appointments for unclassified incumbents of newly classified positions.** The
51.6 commissioner may authorize the probationary appointment of an incumbent who has passed
51.7 a qualifying selection process and who has served at least one year in an unclassified position
51.8 ~~which has been placed in the classified service by proper authority.~~

51.9 Sec. 13. Minnesota Statutes 2024, section 43A.15, subdivision 12, is amended to read:

51.10 Subd. 12. **Work-training Trainee appointments.** The commissioner may authorize
51.11 the probationary appointment of persons who successfully complete on-the-job state training
51.12 programs ~~which~~ that have been approved by the commissioner.

51.13 Sec. 14. Minnesota Statutes 2024, section 43A.15, subdivision 14, is amended to read:

51.14 Subd. 14. **700-hour on-the-job demonstration experience.** (a) The commissioner shall
51.15 consult with the Department of Employment and Economic Development's Vocational
51.16 Rehabilitation Services and State Services for the Blind and other disability experts in
51.17 establishing, reviewing, and modifying the qualifying procedures for applicants whose
51.18 disabilities are of such a significant nature that the applicants are unable to demonstrate
51.19 their abilities in the selection process. The qualifying procedures must consist of up to 700
51.20 hours of on-the-job demonstration experience. The 700-hour on-the-job demonstration
51.21 experience is an alternative, noncompetitive hiring process for qualified applicants with
51.22 disabilities. All permanent executive branch classified positions are eligible for a 700-hour
51.23 on-the-job demonstration experience, and all permanent classified job postings must provide
51.24 information regarding the on-the-job demonstration overview and certification process.

51.25 (b) The commissioner ~~may~~ shall authorize the probationary appointment of an applicant
51.26 based on the request of the appointing authority that documents that the applicant has
51.27 successfully demonstrated qualifications for the position through completion of an on-the-job
51.28 demonstration experience. A qualified applicant ~~should~~ shall be converted to ~~permanent, a~~
51.29 ~~probationary appointments~~ appointment at the point in the 700-hour on-the-job experience
51.30 when the applicant has demonstrated the ability to perform the essential functions of the
51.31 job with or without reasonable accommodation. The implementation of this subdivision
51.32 may not be deemed a violation of chapter 43A or 363A.

52.1 (c) The commissioner and the ADA and disability employment director, described in
52.2 section 43A.19, subdivision 1, paragraph (e), are responsible for the administration and
52.3 oversight of the 700-hour on-the-job demonstration experience, including the establishment
52.4 of policies and procedures, data collection and reporting requirements, and compliance.

52.5 (d) The commissioner or the commissioner's designee shall design and implement a
52.6 training curriculum for the 700-hour on-the-job demonstration experience. All executive
52.7 leaders, managers, supervisors, human resources professionals, affirmative action officers,
52.8 and ADA coordinators must receive annual training on the program.

52.9 (e) The commissioner or the commissioner's designee shall develop, administer, and
52.10 make public a formal grievance process for individuals in the 700-hour on-the-job
52.11 demonstration experience under this subdivision and supported work program under section
52.12 43A.421, subdivision 2.

52.13 (f) An appointing authority must make reasonable accommodations in response to a
52.14 request from an applicant with a disability, including providing accommodations in a timely
52.15 manner during the application and hiring process and throughout the 700-hour on-the-job
52.16 demonstration experience. Requirements for accessibility for public records under section
52.17 363A.42, continuing education under section 363A.43, and technology under section 16E.03,
52.18 subdivision 2, clauses (3) and (9), apply to an agency filling an appointment during the
52.19 application and hiring process and through the on-the-job demonstration experience period.

52.20 Sec. 15. Minnesota Statutes 2024, section 43A.17, subdivision 5, is amended to read:

52.21 Subd. 5. **Salary on demotion; special cases.** The commissioner may, upon request of
52.22 an appointing authority, approve payment of an employee with permanent status at a salary
52.23 rate above the maximum of the class to which the employee is demoted. The commissioner
52.24 shall take such action as required by collective bargaining agreements or plans pursuant to
52.25 section 43A.18. If the action is justified by the employee's long or outstanding service,
52.26 exceptional or technical qualifications, ~~age, health,~~ or substantial changes in work assignment
52.27 beyond the control of the employee, the commissioner may approve a rate up to and including
52.28 the employee's salary immediately prior to demotion. Thereafter, so long as the employee
52.29 remains in the same position, the employee shall not be eligible to receive any increase in
52.30 salary until the employee's salary is within the range of the class to which the employee's
52.31 position is allocated unless such increases are specifically provided in collective bargaining
52.32 agreements or plans pursuant to section 43A.18.

53.1 Sec. 16. Minnesota Statutes 2024, section 43A.181, subdivision 1, is amended to read:

53.2 Subdivision 1. **Donation of vacation time.** A state employee may donate up to 12 hours
53.3 of accrued vacation time in any fiscal year to the account established by subdivision 2 for
53.4 the benefit of another state employee. ~~The employee must notify the employee's agency~~
53.5 ~~head of the amount of accrued vacation time the employee wishes to donate and the name~~
53.6 ~~of the other state employee who is to benefit from the donation. The agency head shall~~
53.7 ~~determine the monetary value of the donated time, using the gross salary of the employee~~
53.8 ~~making the donation. The agency head shall transfer that amount, less deductions for~~
53.9 ~~applicable taxes and retirement contributions, to the account established by subdivision 2.~~
53.10 A donation of accrued vacation time is irrevocable once its monetary value has been
53.11 transferred to the account.

53.12 Sec. 17. Minnesota Statutes 2024, section 43A.1815, is amended to read:

53.13 **43A.1815 VACATION DONATION TO SICK LEAVE ACCOUNT.**

53.14 (a) In addition to donations under section 43A.181, a state employee may donate a total
53.15 of up to 40 hours of accrued vacation leave each fiscal year to the sick leave account of one
53.16 or more state employees. A state employee may not be paid for more than 80 hours in a
53.17 payroll period during which the employee uses sick leave credited to the employee's account
53.18 as a result of a transfer from another state employee's vacation account.

53.19 (b) At retirement, eligible state employees may donate additional accumulated vacation
53.20 hours in excess of their vacation payout at time of retirement into a general pool, even if
53.21 they already have donated 40 hours.

53.22 ~~(b)~~ (c) The recipient employee must receive donations, as available, for a life-threatening
53.23 condition of the employee or spouse or dependent child that prevents the employee from
53.24 working. A recipient may use program donations retroactively to when all forms of paid
53.25 leave are exhausted if the employee has sufficient donations to cover the period of
53.26 retroactivity. A recipient who receives program donations under this section may use up to
53.27 80 hours of program donations after the death of a spouse or dependent child.

53.28 ~~(c)~~ (d) An applicant for benefits under this section who receives an unfavorable
53.29 determination may select a designee to consult with the commissioner or commissioner's
53.30 designee on the reasons for the determination.

53.31 ~~(d)~~ (e) The commissioner shall establish procedures under section 43A.04, subdivision
53.32 4, for eligibility, duration of need based on individual cases, monitoring and evaluation of
53.33 individual eligibility status, and other topics related to administration of this program.

54.1 Sec. 18. Minnesota Statutes 2024, section 43A.19, subdivision 1, is amended to read:

54.2 Subdivision 1. **Statewide affirmative action program.** (a) To assure that positions in
54.3 the executive branch of the civil service are equally accessible to all qualified persons, and
54.4 to eliminate the effects of past and present discrimination, intended or unintended, on the
54.5 basis of protected group status, the commissioner shall adopt and periodically revise, if
54.6 necessary, a statewide affirmative action program. The statewide affirmative action program
54.7 must consist of at least the following:

54.8 (1) objectives, goals, and policies;

54.9 (2) procedures, standards, and assumptions to be used by agencies in the preparation of
54.10 agency affirmative action plans, including methods by which goals and timetables are
54.11 established;

54.12 (3) the analysis of separation patterns to determine the impact on protected group
54.13 members; and

54.14 (4) requirements for annual objectives and submission of affirmative action progress
54.15 reports from heads of agencies.

54.16 Agency heads must report the data in clause (3) to the state Director of ~~Recruitment,~~
54.17 ~~Retention and~~ Affirmative Action and the state ADA coordinator, in addition to being
54.18 available to anyone upon request. The commissioner must annually post the aggregate and
54.19 agency-level reports under clause (4) on the agency's website.

54.20 (b) The commissioner shall establish statewide affirmative action goals for each of the
54.21 federal Equal Employment Opportunity (EEO) occupational categories applicable to state
54.22 employment, using at least the following factors:

54.23 (1) the percentage of members of each protected class in the recruiting area population
54.24 who have the necessary skills; and

54.25 (2) the availability for promotion or transfer of current employees who are members of
54.26 protected classes.

54.27 (c) The commissioner may use any of the following factors in addition to the factors
54.28 required under paragraph (b):

54.29 (1) the extent of unemployment of members of protected classes in the recruiting area
54.30 population;

54.31 (2) the existence of training programs in needed skill areas offered by employing agencies
54.32 and other institutions; and

55.1 (3) the expected number of available positions to be filled.

55.2 (d) The commissioner shall designate a state director of diversity and equal employment
55.3 opportunity who may be delegated the preparation, revision, implementation, and
55.4 administration of the program. The commissioner of management and budget may place
55.5 the director's position in the unclassified service if the position meets the criteria established
55.6 in section 43A.08, subdivision 1a.

55.7 (e) The commissioner shall designate a statewide ADA and disability employment
55.8 director. The commissioner may delegate the preparation, revision, implementation,
55.9 evaluation, and administration of the program to the director. The director must administer
55.10 the 700-hour on-the-job demonstration experience under the supported work program and
55.11 disabled veteran's employment programs. The ADA and disability employment director
55.12 shall have education, knowledge, and skills in disability policy, employment, and the ADA.
55.13 The commissioner may place the director's position in the unclassified service if the position
55.14 meets the criteria established in section 43A.08, subdivision 1a.

55.15 (f) Agency affirmative action plans, including reports and progress, must be posted on
55.16 the agency's public and internal websites within 30 days of being approved. The
55.17 commissioner of management and budget shall post a link to all executive branch
55.18 agency-approved affirmative action plans on its public website. Accessible copies of the
55.19 affirmative action plan must be available to all employees and members of the general public
55.20 upon request.

55.21 Sec. 19. Minnesota Statutes 2024, section 43A.23, subdivision 1, is amended to read:

55.22 Subdivision 1. **General.** (a) The commissioner is authorized to request proposals or to
55.23 negotiate and to enter into contracts with parties which in the judgment of the commissioner
55.24 are best qualified to provide service to the benefit plans. Contracts entered into are not
55.25 subject to the requirements of sections 16C.16 to 16C.19. The commissioner may negotiate
55.26 premium rates and coverage. The commissioner shall consider the cost of the plans,
55.27 conversion options relating to the contracts, service capabilities, character, financial position,
55.28 and reputation of the carriers, and any other factors ~~which~~ that the commissioner deems
55.29 appropriate. Each benefit contract must be for a uniform term of at least one year, but may
55.30 be made automatically renewable from term to term in the absence of notice of termination
55.31 by either party. A carrier licensed under chapter 62A is exempt from the taxes imposed by
55.32 chapter 297I on premiums paid to it by the state.

55.33 (b) All self-insured hospital and medical service products must comply with coverage
55.34 mandates, data reporting, and consumer protection requirements applicable to the licensed

carrier administering the product, had the product been insured, including chapters 62J, 62M, and 62Q. Any self-insured products that limit coverage to a network of providers or provide different levels of coverage between network and nonnetwork providers shall comply with section 62D.123 and geographic access standards for health maintenance organizations adopted by the commissioner of health in rule under chapter 62D.

(c) Notwithstanding paragraph (b), a self-insured hospital and medical product offered under sections 43A.22 to 43A.30 is required to extend dependent coverage to an eligible employee's child to the full extent required under chapters 62A and 62L. Dependent child coverage must, at a minimum, extend to an eligible employee's dependent child to the limiting age as defined in section 62Q.01, subdivision 2a, disabled children to the extent required in sections 62A.14 and 62A.141, and dependent grandchildren to the extent required in sections 62A.042 and 62A.302.

(d) Beginning January 1, 2010, the health insurance benefit plans offered in the ~~commissioner's nonrepresented employees compensation~~ plan under section 43A.18, subdivision 2, and the managerial plan under section 43A.18, subdivision 3, must include an option for a health plan that is compatible with the definition of a high-deductible health plan in section 223 of the United States Internal Revenue Code.

Sec. 20. Minnesota Statutes 2024, section 43A.23, subdivision 2, is amended to read:

Subd. 2. **Contract to contain statement of benefits.** (a) Each contract under sections 43A.22 to 43A.30 shall contain a detailed statement of benefits offered and shall include any maximums, limitations, exclusions, and other definitions of benefits the commissioner deems necessary or desirable. Each hospital and medical benefits contract shall provide benefits at least equal to those required by section 62E.06, subdivision 2.

(b) All summaries of benefits describing the hospital and medical service benefits offered to state employees must comply with laws and rules for content and clarity applicable to the licensed carrier administering the product. Referral procedures must be clearly described. The commissioners of commerce and health, ~~as appropriate, shall~~ may review the summaries of benefits, ~~whether written or electronic,~~ and advise the commissioner on any changes needed to ensure compliance.

Sec. 21. Minnesota Statutes 2024, section 43A.24, subdivision 1a, is amended to read:

Subd. 1a. **Opt out.** (a) An individual eligible for state-paid hospital, medical, and dental benefits under this section has the right to decline those benefits, provided the individual declining the benefits can prove health insurance coverage from another source. Any

57.1 individual declining benefits must do so in writing, signed and dated, on a form provided
57.2 by the commissioner.

57.3 (b) The commissioner must create, and make available in hard copy and online a form
57.4 for individuals to use in declining state-paid hospital, medical, and dental benefits. The form
57.5 must, at a minimum, include notice to the declining individual of the next available
57.6 opportunity and procedure to re-enroll in the benefits.

57.7 ~~(c) No later than January 15 of each year, the commissioner of management and budget~~
57.8 ~~must provide a report to the chairs and ranking minority members of the legislative~~
57.9 ~~committees with jurisdiction over state government finance on the number of employees~~
57.10 ~~choosing to opt out of state employee group insurance coverage under this section. The~~
57.11 ~~report must provide itemized statistics, by agency, and include the total amount of savings~~
57.12 ~~accrued to each agency resulting from the opt-outs.~~

57.13 Sec. 22. Minnesota Statutes 2024, section 43A.24, subdivision 2, is amended to read:

57.14 Subd. 2. **Other eligible persons.** The following persons are eligible for state paid life
57.15 insurance and hospital, medical, and dental benefits as determined in applicable collective
57.16 bargaining agreements or by the commissioner or by plans pursuant to section 43A.18,
57.17 ~~subdivision 6, or by the Board of Regents for employees of the University of Minnesota~~
57.18 ~~not covered by collective bargaining agreements.~~ Coverages made available, including
57.19 optional coverages, are as contained in the plan established pursuant to section 43A.18,
57.20 subdivision 2:

57.21 (1) a member of the state legislature, provided that changes in benefits resulting in
57.22 increased costs to the state shall not be effective until expiration of the term of the members
57.23 of the existing house of representatives. An eligible member of the state legislature may
57.24 decline to be enrolled for state paid coverages by filing a written waiver with the
57.25 commissioner. The waiver shall not prohibit the member from enrolling the member or
57.26 dependents for optional coverages, without cost to the state, as provided for in section
57.27 43A.26. A member of the state legislature who returns from a leave of absence to a position
57.28 previously occupied in the civil service shall be eligible to receive the life insurance and
57.29 hospital, medical, and dental benefits to which the position is entitled;

57.30 (2) an employee of the legislature or an employee of a permanent study or interim
57.31 committee or commission or a state employee on leave of absence to work for the legislature,
57.32 during a regular or special legislative session, as determined by the Legislative Coordinating
57.33 Commission;

(3) a judge of the appellate courts or an officer or employee of these courts; a judge of the district court, a judge of county court, or a judge of county municipal court; a district court referee, judicial officer, court reporter, or law clerk; a district administrator; an employee of the Office of the District Administrator that is not in the Second or Fourth Judicial District; a court administrator or employee of the court administrator in a judicial district under section 480.181, subdivision 1, paragraph (b), and a guardian ad litem program employee;

(4) a salaried employee of the Public Employees Retirement Association;

(5) a full-time military or civilian officer or employee in the unclassified service of the Department of Military Affairs whose salary is paid from state funds;

(6) an employee of the Minnesota Historical Society, whether paid from state funds or otherwise, who is not a member of the governing board;

~~(7) an employee of the regents of the University of Minnesota;~~

~~(8)~~ (7) notwithstanding section 43A.27, subdivision 3, an employee of the state of Minnesota or the regents of the University of Minnesota who is at least 60 and not yet 65 years of age on July 1, 1982, who is otherwise eligible for employee and dependent insurance and benefits pursuant to section 43A.18 or other law, who has at least 20 years of service and retires, earlier than required, within 60 days of March 23, 1982; or an employee who is at least 60 and not yet 65 years of age on July 1, 1982, who has at least 20 years of state service and retires, earlier than required, from employment at Rochester state hospital after July 1, 1981; or an employee who is at least 55 and not yet 65 years of age on July 1, 1982, and is covered by the Minnesota State Retirement System correctional employee retirement plan or the State Patrol retirement fund, who has at least 20 years of state service and retires, earlier than required, within 60 days of March 23, 1982. For purposes of this clause, a person retires when the person terminates active employment in state or University of Minnesota service and applies for a retirement annuity. Eligibility shall cease when the retired employee attains the age of 65, or when the employee chooses not to receive the annuity that the employee has applied for. The retired employee shall be eligible for coverages to which the employee was entitled at the time of retirement, subject to any changes in coverage through collective bargaining or plans established pursuant to section 43A.18, for employees in positions equivalent to that from which retired, provided that the retired employee shall not be eligible for state-paid life insurance. Coverages shall be coordinated with relevant health insurance benefits provided through the federally sponsored Medicare program;

59.1 ~~(9)~~ (8) an employee of an agency of the state of Minnesota identified through the process
59.2 provided in this paragraph who is eligible to retire prior to age 65. The commissioner and
59.3 the exclusive representative of state employees shall enter into agreements under section
59.4 179A.22 to identify employees whose positions are in programs that are being permanently
59.5 eliminated or reduced due to federal or state policies or practices. Failure to reach agreement
59.6 identifying these employees is not subject to impasse procedures provided in chapter 179A.
59.7 The commissioner must prepare a plan identifying eligible employees not covered by a
59.8 collective bargaining agreement in accordance with the process outlined in section 43A.18,
59.9 subdivisions 2 and 3. For purposes of this paragraph, a person retires when the person
59.10 terminates active employment in state service and applies for a retirement annuity. Eligibility
59.11 ends as provided in the agreement or plan, but must cease at the end of the month in which
59.12 the retired employee chooses not to receive an annuity, or the employee is eligible for
59.13 employer-paid health insurance from a new employer. The retired employees shall be eligible
59.14 for coverages to which they were entitled at the time of retirement, subject to any changes
59.15 in coverage through collective bargaining or plans established under section 43A.18 for
59.16 employees in positions equivalent to that from which they retired, provided that the retired
59.17 employees shall not be eligible for state-paid life insurance;

59.18 ~~(10)~~ (9) employees of the state Board of Public Defense, with eligibility determined by
59.19 the state Board of Public Defense in consultation with the commissioner of management
59.20 and budget; and

59.21 ~~(11)~~ (10) employees of supporting organizations of Enterprise Minnesota, Inc., established
59.22 after July 1, 2003, under section 116O.05, subdivision 4, as paid for by the supporting
59.23 organization.

59.24 Sec. 23. Minnesota Statutes 2024, section 43A.27, subdivision 2, is amended to read:

59.25 Subd. 2. **Elective eligibility.** The following persons, if not otherwise covered by section
59.26 43A.24, may elect coverage for themselves or their dependents at their own expense:

59.27 (1) a state employee, including persons on layoff from a civil service position as provided
59.28 in collective bargaining agreements or a plan established pursuant to section 43A.18;

59.29 ~~(2) an employee of the Board of Regents of the University of Minnesota, including~~
59.30 ~~persons on layoff, as provided in collective bargaining agreements or by the Board of~~
59.31 ~~Regents;~~

59.32 ~~(3)~~ (2) an officer or employee of the State Agricultural Society, Center for Rural Policy
59.33 and Development, Agricultural Utilization Research Institute, State Horticultural Society,

60.1 Sibley House Association, Minnesota Humanities ~~Center~~ Commission, Minnesota Area
60.2 Industry Labor Management Councils, Minnesota International Center, Minnesota Academy
60.3 of Science, Science Museum of Minnesota, Minnesota Safety Council, state Office of
60.4 Disabled American Veterans, state Office of the American Legion and its auxiliary, state
60.5 Office of Veterans of Foreign Wars and its auxiliary, or state Office of the Military Order
60.6 of the Purple Heart;

60.7 ~~(4)~~ (3) a civilian employee of the adjutant general who is paid from federal funds and
60.8 who is not eligible for benefits from any federal civilian employee group life insurance or
60.9 health benefits program;

60.10 ~~(5)~~ (4) an officer or employee of ~~the State Capitol~~ Affinity Plus Federal Credit Union
60.11 ~~or the Highway Credit Union~~; and

60.12 ~~(6)~~ (5) an employee of the joint underwriting association pursuant to section 62I.121 or
60.13 Minnesota FAIR plan pursuant to section 65A.35, subdivision 5, unless the commissioner
60.14 determines that making these employees eligible to purchase this coverage would cause the
60.15 state employee group insurance program to lose its status as a governmental plan or would
60.16 cause the program to be treated as a multiemployer welfare arrangement.

60.17 Sec. 24. Minnesota Statutes 2024, section 43A.33, subdivision 3, is amended to read:

60.18 Subd. 3. **Procedures.** (a) Procedures for discipline and discharge of employees covered
60.19 by collective bargaining agreements shall be governed by the agreements. Procedures for
60.20 employees not covered by a collective bargaining agreement shall be governed by this
60.21 subdivision and by the commissioner's and managerial plans.

60.22 (b) For discharge, suspension without pay or demotion, no later than the effective date
60.23 of such action, a permanent classified employee not covered by a collective bargaining
60.24 agreement shall be given written notice by the appointing authority. The content of that
60.25 notice as well as the employee's right to reply to the appointing authority shall be as
60.26 prescribed in the grievance procedure contained in the applicable plan established pursuant
60.27 to section 43A.18. The notice shall also include a statement that the employee may elect to
60.28 appeal the action to the Bureau of Mediation Services within 30 calendar days following
60.29 the effective date of the disciplinary action. A copy of the notice and the employee's reply,
60.30 if any, shall be filed by the appointing authority with the commissioner no later than ten
60.31 calendar days following the effective date of the disciplinary action. The commissioner
60.32 shall have final authority to decide whether the appointing authority shall settle the dispute
60.33 prior to the hearing provided under this subdivision 4.

(c) For discharge, suspension, or demotion of an employee serving an initial probationary period, and for noncertification in any subsequent probationary period, grievance procedures shall be as provided in the plan established pursuant to section 43A.18.

(d) Within ten days of receipt of the employee's written notice of appeal, the commissioner of the Bureau of Mediation Services shall provide both parties with a list of potential arbitrators according to the rules of the Bureau of Mediation Services to hear the appeal. The process of selecting the arbitrator from the list shall be determined by the plan. The hearing shall be conducted pursuant to the rules of the Bureau of Mediation Services. If the arbitrator finds, based on the hearing record, that the action appealed was not taken by the appointing authority for just cause, the employee shall be reinstated to the position, or an equal position in another division within the same agency, without loss of pay. If the arbitrator finds that there exists sufficient grounds for institution of the appointing authority's action but the hearing record establishes extenuating circumstances, the arbitrator may reinstate the employee, with full, partial, or no pay, or may modify the appointing authority's action. The appointing authority shall bear the costs of the arbitrator for hearings provided for in this section.

Sec. 25. Minnesota Statutes 2024, section 43A.346, subdivision 2, is amended to read:

Subd. 2. **Eligibility.** (a) This section applies to a terminated state employee who:

(1) for at least the five years immediately preceding separation under ~~clause~~ clauses (2) and (3), was regularly scheduled to work 1,044 or more hours per year in a position covered by a pension plan administered by the Minnesota State Retirement System or the Public Employees Retirement Association;

(2) terminated state or Metropolitan Council employment;

(3) at the time of termination under clause (2), met the age and service requirements necessary to receive an unreduced retirement annuity from the plan and satisfied requirements for the commencement of the retirement annuity or, for a terminated employee under the unclassified employees retirement plan, met the age and service requirements necessary to receive an unreduced retirement annuity from the plan and satisfied requirements for the commencement of the retirement annuity or elected a lump-sum payment; and

(4) agrees to accept a postretirement option position with the same or a different appointing authority, working a reduced schedule that is both (i) a reduction of at least 25 percent from the employee's number of previously regularly scheduled work hours; and (ii) 1,044 hours or less in state or Metropolitan Council service.

(b) For purposes of this section, an unreduced retirement annuity includes a retirement annuity computed under a provision of law which permits retirement, without application of an earlier retirement reduction factor, whenever age plus years of allowable service total at least 90.

(c) For purposes of this section, as it applies to state employees who are members of the Public Employees Retirement Association who are at least age 62, the length of separation requirement and termination of service requirement prohibiting return to work agreements under section 353.01, subdivisions 11a and 28, are not applicable.

Sec. 26. Minnesota Statutes 2024, section 43A.346, subdivision 6, is amended to read:

Subd. 6. **Duration.** Postretirement option employment is for an initial period not to exceed one year. During that period, the appointing authority may not modify the conditions of employment specified in the written offer without the person's consent, except as required by law or by the collective bargaining agreement or compensation plan applicable to the person. At the end of the initial period, the appointing authority has sole discretion to determine if the offer of a postretirement option position will be renewed, renewed with modifications, or terminated. Postretirement option employment may be renewed for periods of up to one year, not to exceed a total duration of five years. No person may be employed in one or a combination of postretirement option positions under this section for a total of more than five years.

Sec. 27. Minnesota Statutes 2024, section 43A.36, subdivision 1, is amended to read:

Subdivision 1. **Cooperation; state agencies.** (a) The commissioner may delegate administrative functions associated with the duties of the commissioner to appointing authorities who have the capability to perform such functions when the commissioner determines that it is in the best interests of the state civil service. The commissioner shall consult with agencies and agencies shall cooperate as appropriate in implementation of this chapter.

(b) The commissioner, in conjunction with appointing authorities, shall analyze and assess current and future human resource requirements of the civil service and coordinate personnel actions throughout the civil service to meet the requirements. The commissioner shall provide recruiting assistance and make the applicant database available to appointing authorities to use in making appointments to positions in the unclassified service.

(c) The head of each agency in the executive branch shall designate an agency personnel officer. The agency personnel officer shall be accountable to the agency head for all personnel

functions prescribed by laws, rules, collective bargaining agreements, the commissioner and the agency head. Except when otherwise prescribed by the agency head in a specific instance, the personnel officer shall be assumed to be the authority accountable to the agency head over any other officer or employee in the agency for personnel functions.

(d) The head of each agency in the executive branch shall designate an affirmative action officer who shall have primary responsibility for the administration of the agency's affirmative action plan. The officer shall report directly to the head of the agency on affirmative action matters.

(e) Pursuant to section 43A.431, the head of each agency in the executive branch shall designate an ADA coordinator who shall have primary responsibility for the administration of ADA policies, procedures, trainings, requests, and arbitration. The coordinator shall report directly to the ~~commissioner~~ agency head.

Sec. 28. Minnesota Statutes 2024, section 43A.421, is amended to read:

43A.421 SUPPORTED WORK CUSTOMIZED EMPLOYMENT PROGRAM.

Subdivision 1. **Program established.** ~~Active positions within agencies of state government may be selected for inclusion for a supported work program for persons with significant disabilities. A full-time position may be shared by up to three persons with significant disabilities and their job coach. The job coach is not a state employee within the scope of section 43A.02, subdivision 21, or 179A.03, subdivision 14, unless the job coach holds another position within the scope of section 43A.02, subdivision 21, or 179A.03, subdivision 14. All classified supported work job postings need to link to the overview and application process for the supported work program. The commissioner is responsible for the establishment, administration, and oversight of a program providing customized employment opportunities for individuals with significant disabilities as defined in United States Code, title 29, section 705(21). Employees in the customized employment program are appointed to a customized employment position by matching the skills offered by eligible individuals to specific tasks and projects within agencies, rather than to an existing job classification. When job coach services are necessary for the individuals employed through this program, the job coach is not a state employee within the scope of section 43A.02, subdivision 21, or 179A.03, subdivision 14, unless the job coach holds another position within the scope of section 43A.02, subdivision 21, or 179A.03, subdivision 14.~~

Subd. 2. **Responsibilities Customized employment.** (a) The commissioner is responsible for the administration and oversight of the ~~supported work~~ customized employment program,

including the establishment of policies and procedures, eligibility, data collection and reporting requirements, and compliance.

(b) The commissioner or the commissioner's designee shall design and implement a training curriculum for the ~~supported work~~ customized employment program. All executive leaders, managers, supervisors, human resources professionals, affirmative action officers, and Americans with Disabilities Act coordinators must receive ~~annual~~ training regarding the program.

(c) The commissioner or the commissioner's designee shall develop, administer, and make public a formal grievance process for individuals in the program.

Sec. 29. **REPEALER.**

Minnesota Statutes 2024, sections 43A.315; 43A.317, subdivisions 1, 2, 3, 5, 6, 7, 8, 9, 10, and 12; and 43A.318, subdivisions 1, 2, 4, and 5, are repealed.

ARTICLE 4

LICENSING BOARDS

Section 1. Minnesota Statutes 2024, section 155A.23, is amended by adding a subdivision to read:

Subd. 22. **Textured hair.** "Textured hair" is hair that is coiled, curly, or wavy.

Sec. 2. Minnesota Statutes 2024, section 155A.27, subdivision 2, is amended to read:

Subd. 2. **Qualifications.** (a) Qualifications for licensing in each classification shall be determined by the board and established by rule, and shall include educational and experiential prerequisites.

~~(b) A person applying for an individual license to practice as a cosmetologist, hair technician, manager, or instructor must: (1) successfully complete training on the properties of the hair and all hair types and textures, including coil, curl, or wave patterns, hair strand thicknesses, and volumes of hair; and (2) have experience providing services to individuals with hair of all types and textures, including coil, curl, or wave patterns, hair strand thicknesses, and volumes of hair.~~

~~(c)~~ (b) The rules shall require a demonstrated knowledge of procedures necessary to protect the health and safety of the practitioner and the consumer of cosmetology services, including but not limited to infection control, use of implements, apparatuses and other appliances, and the use of chemicals.

65.1 Sec. 3. Minnesota Statutes 2024, section 155A.2705, subdivision 3, is amended to read:

65.2 Subd. 3. **Training.** Hair technician training must be completed at a Minnesota-licensed
65.3 cosmetology school. The training must consist of 900 hours of coursework and planned
65.4 clinical instruction and experience that includes:

65.5 (1) the first 300 hours of the hair technology course that includes:

65.6 (i) student orientation;

65.7 (ii) preclinical instruction in the theory of sciences, including:

65.8 (A) muscle and bone structure and function;

65.9 (B) properties of the hair, ~~a study of all hair types and textures, including coil, curl, or~~
65.10 ~~wave patterns, hair strand thicknesses, and volumes of hair,~~ and scalp;

65.11 (C) disorders and diseases of the hair and scalp;

65.12 (D) chemistry as related to hair technology; and

65.13 (E) electricity and light related to the practice of hair technology;

65.14 (iii) theory and preclinical instruction on client and service safety prior to students
65.15 offering services;

65.16 (iv) introductory service skills that are limited to the observation of an instructor
65.17 demonstration, student use of mannequins, or student-to-student application of basic services
65.18 related to hair technology;

65.19 (v) Minnesota statutes and rules pertaining to the regulation of hair technology;

65.20 (vi) health and safety instruction that includes:

65.21 (A) chemical safety;

65.22 (B) safety data sheets;

65.23 (C) personal protective equipment (PPE);

65.24 (D) hazardous substances; and

65.25 (E) laws and regulations related to health and public safety; and

65.26 (vii) infection control to protect the health and safety of the public and technician that
65.27 includes:

65.28 (A) disinfectants;

65.29 (B) disinfectant procedures;

66.1 (C) cleaning and disinfection;

66.2 (D) single use items;

66.3 (E) storage of tools, implements, and linens; and

66.4 (F) other implements and equipment used in salons and schools;

66.5 (2) 300 hours in hair cutting and styling that includes hair and scalp analysis; ~~providing~~
66.6 ~~services to individuals who have all hair types and textures, including coil, curl, or wave~~
66.7 ~~patterns, hair strand thicknesses, and volumes of hair; cleaning;~~ scalp and hair conditioning;
66.8 hair design and shaping; drying; arranging; curling; dressing; waving; and nonchemical
66.9 straightening; and

66.10 (3) 300 hours in chemical hair services that includes hair and scalp analysis; ~~providing~~
66.11 ~~services to individuals with all hair types and textures, including coil, curl, or wave patterns,~~
66.12 ~~hair strand thicknesses, and volumes of hair;~~ dying; bleaching; reactive chemicals; keratin;
66.13 hair coloring; permanent straightening; permanent waving; predisposition and strand
66.14 tests; safety precautions; chemical mixing; color formulation; and the use of dye removers.

66.15 Sec. 4. Minnesota Statutes 2024, section 155A.30, subdivision 2, is amended to read:

66.16 Subd. 2. **Standards.** (a) Cosmetologist and hair technician course content must include
66.17 textured hair training that consists of theoretical and clinical instruction on working with
66.18 hair with various:

66.19 (1) curl, coil, and wave patterns;

66.20 (2) hair strand thicknesses; and

66.21 (3) volumes.

66.22 (b) The board shall by rule establish minimum standards of course content and length
66.23 specific to the educational preparation prerequisite to testing and licensing as ~~cosmetologist,~~
66.24 ~~esthetician, and nail technician.~~

66.25 Sec. 5. Minnesota Statutes 2024, section 326.05, is amended to read:

66.26 **326.05 QUALIFICATIONS OF BOARD MEMBERS.**

66.27 Each member of the board ~~shall~~ must be a resident of this state at the time of and
66.28 throughout the member's appointment. Each member except the public members ~~shall~~ must
66.29 have been engaged in the practice of the relevant profession for at least ~~ten~~ five years and
66.30 shall have been in responsible charge of professional work requiring licensure as an architect,

67.1 engineer, land surveyor, landscape architect, or geoscientist, or certification as an interior
67.2 designer for at least ~~five~~ two years.

67.3 Sec. 6. Minnesota Statutes 2024, section 326.10, subdivision 1, is amended to read:

67.4 Subdivision 1. **Issuance.** The board shall on application therefor on a prescribed form,
67.5 and upon payment of a fee prescribed by rule of the board, issue a license or certificate as
67.6 an architect, engineer, land surveyor, landscape architect, geoscientist, or certified interior
67.7 designer. A separate fee shall be paid for each profession licensed.

67.8 (1) To any person ~~over 25 years of age, who is of good moral character and repute, who~~
67.9 complies with the Rules of Professional Conduct established in rules by the board and who
67.10 has the experience and educational qualifications ~~which~~ that the board by rule may prescribe.

67.11 (2) To any person who holds an unexpired certificate of registration or license issued
67.12 by proper authority in the District of Columbia, any state or territory of the United States,
67.13 or any foreign country, in which the requirements for registration or licensure of architects,
67.14 engineers, land surveyors, landscape architects, geoscientists, or certified interior designers,
67.15 respectively, at the time of registration or licensure in the other jurisdiction, were ~~equal, in~~
67.16 ~~the opinion of the board,~~ substantially equivalent as established in rules by the board to
67.17 those fixed by the board and by the laws of this state, and in which similar privileges are
67.18 extended to the holders of certificates of registration or licensure issued by this state. The
67.19 board may require such person to submit a certificate of technical qualification from the
67.20 National Council of Architectural Registration Boards in the case of an architect, from the
67.21 National Council of Examiners for Engineering and Surveying in the case of an engineer,
67.22 from the Council of Landscape Architectural Registration Boards in the case of a landscape
67.23 architect, and from the National Council for Interior Design Qualification in the case of a
67.24 certified interior designer.

67.25 Sec. 7. Minnesota Statutes 2024, section 326.10, subdivision 2, is amended to read:

67.26 Subd. 2. **Examination.** ~~The board, or a committee of the board, may subject any applicant~~
67.27 ~~for licensure or certification to such examinations as may be deemed necessary to establish~~
67.28 ~~qualifications.~~

67.29 ~~In determining the qualifications of applicants, at least one member determining the~~
67.30 ~~qualifications must be licensed or certified in the same profession as that being evaluated.~~

67.31 An applicant for licensure or certification must provide evidence of passing the required
67.32 examinations as prescribed by the board in rules.

68.1 Sec. 8. Minnesota Statutes 2024, section 326.10, subdivision 10, is amended to read:

68.2 Subd. 10. **Temporary military license.** The board shall establish a temporary license
68.3 in accordance with section 197.4552 for the practice of architecture, professional engineering,
68.4 geosciences, land surveying, landscape architecture, and interior design. The fee for the
68.5 temporary license under this subdivision for the practice of architecture, professional
68.6 engineering, geosciences, land surveying, landscape architecture, or interior design is ~~\$132~~
68.7 \$0.

68.8 Sec. 9. Minnesota Statutes 2024, section 326.111, subdivision 3, is amended to read:

68.9 Subd. 3. **Cease and desist orders.** (a) The board, or the complaint committee if
68.10 authorized by the board, may issue and have served upon a person an order requiring the
68.11 person to cease and desist from the unauthorized practice of architecture, engineering, land
68.12 surveying, landscape architecture, geoscience, or the unauthorized use of the titles architect,
68.13 professional engineer, land surveyor, landscape architect, professional geologist, professional
68.14 soil scientist, certified interior designer, or violation of the statute, rule, or order. The order
68.15 shall be calculated to give reasonable notice of the rights of the person to request a hearing
68.16 and shall state the reasons for the entry of the order.

68.17 (b) Service of the order is effective if the order is served on the person or counsel of
68.18 record personally or by certified mail to the most recent address provided to the board for
68.19 the person or counsel of record. Service of the order must be by first class United States
68.20 mail, including certified United States mail, or overnight express mail service with the
68.21 postage prepaid and addressed to the party at the party's last known address. Service by
68.22 United States mail, including certified mail, is complete upon placing the order in the mail
68.23 or otherwise delivering the order to the United States mail service. Service by overnight
68.24 express mail service is complete upon delivering the order to an authorized agent of the
68.25 express mail service.

68.26 (c) Unless otherwise agreed by the board, or the complaint committee if authorized by
68.27 the board, and the person requesting the hearing, the hearing shall be held no later than 30
68.28 days after the request for the hearing is received by the board.

68.29 (d) The administrative law judge shall issue a report within 30 days of the close of the
68.30 contested case hearing record, notwithstanding Minnesota Rules, part 1400.8100, subpart
68.31 3. Within 30 days after receiving the report and any exceptions to it, the board shall issue
68.32 a further order vacating, modifying, or making permanent the cease and desist orders as the
68.33 facts require.

(e) If no hearing is requested within 30 days of service of the order, the order becomes final and remains in effect until it is modified or vacated by the board.

(f) If the person to whom a cease and desist order is issued fails to appear at the hearing after being duly notified, the person is in default and the proceeding may be determined against that person upon consideration of the cease and desist order, the allegations of which may be considered to be true.

Sec. 10. Minnesota Statutes 2024, section 326.111, subdivision 4, is amended to read:

Subd. 4. Actions against applicants and licensees. (a) The board may, by order, deny, refuse to renew, suspend, temporarily suspend, or revoke the application, license, or certification of a person; censure or reprimand that person; condition or limit the person's practice; refuse to permit a person to sit for examination; or refuse to release the person's examination grades if the board finds that the order is in the public interest and the applicant, licensee, or certificate holder:

(1) has violated a statute, rule, or order that the board has issued or is empowered to enforce;

(2) has engaged in conduct or acts that are fraudulent, deceptive, or dishonest whether or not the conduct or acts relate to the practice of architecture, engineering, land surveying, landscape architecture, geoscience, or certified interior design, providing that the fraudulent, deceptive, or dishonest conduct or acts reflect adversely on the person's ability or fitness to engage in the practice of architecture, engineering, land surveying, landscape architecture, geoscience, or certified interior design;

(3) has engaged in conduct or acts that are negligent or otherwise in violation of the standards established by Minnesota Rules, chapters 1800 and 1805, where the conduct or acts relate to the practice of architecture, engineering, land surveying, landscape architecture, geoscience, or use of the title certified interior designer;

(4) has been convicted of or has pled guilty or nolo contendere to a felony, an element of which is dishonesty or fraud, whether or not the person admits guilt, or has been shown to have engaged in acts or practices tending to show that the applicant or licensee is incompetent or has engaged in conduct reflecting adversely on the person's ability or fitness to engage in the practice of architecture, engineering, land surveying, landscape architecture, geoscience, or use of the title certified interior designer;

(5) employed fraud or deception in obtaining a certificate, license, renewal, or reinstatement or in passing all or a portion of the examination;

(6) has had the person's architecture, engineering, land surveying, landscape architecture, geoscience, or interior design license, certificate, right to examine, or other similar authority revoked, suspended, canceled, limited, or not renewed for cause in any state, commonwealth, or territory of the United States, in the District of Columbia, or in any foreign country;

(7) has had the person's right to practice before any federal, state, or other government agency revoked, suspended, canceled, limited, or not renewed;

(8) failed to meet any requirement for the issuance or renewal of the person's license or certificate;

(9) has attached the person's seal or signature to a plan, specification, report, plat, or other architectural, engineering, land surveying, landscape architectural, geoscientific, or interior design document not prepared by the person sealing or signing it or under that person's direct supervision; or

(10) with respect to temporary suspension orders, has committed an act, engaged in conduct, or committed practices that may, or has in the opinion of the board, or the complaint committee if authorized by the board, resulted in an immediate threat to the public.

(b) In lieu of or in addition to any remedy provided in paragraph (a), the board may require, as a condition of continued licensure, possession of certificate, termination of suspension, reinstatement of license or certificate, examination, or release of examination grades, that the person:

(1) submit to a quality review of the person's ability, skills, or quality of work, conducted in such fashion and by such persons, entity, or entities as the board may require including, but not limited to, remedial education courses; and

(2) complete to the satisfaction of the board such continuing professional education courses as the board may specify by rule.

(c) ~~Service of the order is effective if the order is served on the licensee, certificate holder, applicant, person, or counsel of record personally or by certified mail, to the most recent address provided to the board for the licensee, certificate holder, applicant, person, or counsel of record.~~ must be by first class United States mail, including certified United States mail, or overnight express mail service with the postage prepaid and addressed to the party at the party's last known address. Service by United States mail, including certified mail, is complete upon placing the order in the mail or otherwise delivering the order to the United States mail service. Service by overnight express mail service is complete upon

71.1 delivering the order to an authorized agent of the express mail service. The order shall state
71.2 the reasons for the entry of the order.

71.3 (d) All hearings required by this section shall be conducted in accordance with chapter
71.4 14, except with respect to temporary suspension orders, as provided for in subdivision 5,
71.5 paragraph (d).

71.6 Sec. 11. Minnesota Statutes 2024, section 326.111, subdivision 5, is amended to read:

71.7 Subd. 5. **Procedure for temporary suspension of license or certificate.** (a) When the
71.8 board, or the complaint committee if authorized by the board, issues a temporary suspension
71.9 order, the suspension is in effect upon service of a written order on the licensee or counsel
71.10 of record, specifying the statute, rule, or order violated. The order remains in effect until
71.11 the board issues a final order in the matter after a hearing or upon agreement between the
71.12 board and the licensee.

71.13 (b) Service of the order ~~is effective if the order is served on the licensee or counsel of~~
71.14 ~~record personally or by certified mail, to the most recent address provided to the board for~~
71.15 ~~the licensee or counsel of record.~~ must be by first class United States mail, including certified
71.16 United States mail, or overnight express mail service with postage prepaid and addressed
71.17 to the party at the party's last known address. Service by United States mail, including
71.18 certified mail, is complete upon placing the order in the mail or otherwise delivering the
71.19 order to the United States mail service. Service by overnight express mail service is complete
71.20 upon delivering the order to an authorized agent of the express mail service.

71.21 (c) The order shall set forth the rights to a hearing contained in this subdivision and shall
71.22 state the reasons for the entry of the order.

71.23 (d) Within ten days after service of the order, the licensee may request a hearing in
71.24 writing. The board shall hold a hearing before its own members within five working days
71.25 of receipt of a request for hearing on the sole issue of whether there is a reasonable basis
71.26 to continue, modify, or lift the temporary suspension. This hearing is not subject to chapter
71.27 14. Evidence presented by the board or the licensee shall be in affidavit form only. The
71.28 licensee or counsel of record may appear for oral argument.

71.29 (e) Within five working days after the hearing, the board shall issue its order and, if the
71.30 suspension is continued, schedule a contested case hearing within 30 days after issuance of
71.31 the order. The administrative law judge shall issue a report within 30 days after closing of
71.32 the contested case hearing record, notwithstanding the provisions of Minnesota Rules, part

72.1 1400.8100, subpart 3. The board shall issue a final order within 30 days after receipt of that
72.2 report and any exceptions to it.

72.3 Sec. 12. Minnesota Statutes 2024, section 326.111, is amended by adding a subdivision
72.4 to read:

72.5 Subd. 8. **Actions against a person with a lapsed license or certificate.** If a person's
72.6 license or certificate lapses; is surrendered, withdrawn, or terminated; or otherwise becomes
72.7 ineffective, the board may institute a proceeding against the person under this subdivision
72.8 within two years after the license or certificate was last effective and enter a revocation or
72.9 suspension order as of the last date on which the license or certificate was in effect or impose
72.10 a civil penalty as provided in subdivision 6.

72.11 Sec. 13. Minnesota Statutes 2024, section 326A.03, subdivision 6, is amended to read:

72.12 Subd. 6. **Certificate; required education and experience until July 1, 2030.** (a) On
72.13 or after July 1, 2006, and before July 1, 2030, a person who has passed the examination
72.14 required in this section must be granted a certificate as a certified public accountant provided:
72.15 (1) the person certifies to the board that the person has completed at least 150 semester or
72.16 225 quarter hours at a college or university that is fully accredited by a recognized accrediting
72.17 agency listed with the United States Department of Education, or an equivalent accrediting
72.18 association, and has completed at least one year of experience of the type specified in
72.19 paragraph (b); (2) the board verifies the certifications; and (3) the person complies with
72.20 requirements for initial issuance of the certificate as a certified public accountant as
72.21 prescribed by the board by rule.

72.22 (b) An applicant for initial issuance of a certificate under this subdivision shall show
72.23 that the applicant has had one year of experience. Acceptable experience includes providing
72.24 any type of service or advice involving the use of accounting, attest, compilation,
72.25 management advisory, financial advisory, tax, or consulting skills, as verified by a licensee
72.26 and meeting requirements prescribed by the board by rule. Acceptable experience may be
72.27 gained through employment in government, industry, academia, or public practice.
72.28 Experience as an auditor in the Office of the Legislative Auditor or State Auditor, as verified
72.29 by a licensee, shall be acceptable experience.

72.30 (c) This subdivision expires July 1, 2030.

73.1 Sec. 14. Minnesota Statutes 2024, section 326A.03, is amended by adding a subdivision
73.2 to read:

73.3 Subd. 6a. **Certificate; required education and experience after June 30, 2030.** (a)
73.4 On and after July 1, 2030, or during the transitional period as provided in subdivision 6b,
73.5 the board must grant a certificate as a certified public accountant to a person who has not
73.6 previously been certified and who has passed the examination required in this section if:

73.7 (1) the person certifies to the board that the person:

73.8 (i) has completed a master's degree at a college or university that is fully accredited by
73.9 a recognized accrediting agency listed with the United States Department of Education and
73.10 has completed at least one year of acceptable experience described in paragraph (b); or

73.11 (ii) has earned a bachelor's or graduate degree from a college or university that is fully
73.12 accredited by a recognized accrediting agency listed with the United States Department of
73.13 Education and has completed at least two years of acceptable experience described in
73.14 paragraph (b);

73.15 (2) the board verifies the certification under clause (1); and

73.16 (3) the person complies with requirements as prescribed by the board for an initial
73.17 certificate.

73.18 (b) Acceptable experience includes providing any type of service or advice that involves
73.19 accounting, attestation, compilation, management advisement, financial advisement, tax,
73.20 or consulting skills, as verified by a licensee and meeting requirements prescribed by the
73.21 board by rule. Acceptable experience may be gained through employment in government,
73.22 industry, academia, or public practice. Experience as an auditor in the Office of the
73.23 Legislative Auditor or the Office of the State Auditor, as verified by a licensee, is acceptable
73.24 experience.

73.25 Sec. 15. Minnesota Statutes 2024, section 326A.03, is amended by adding a subdivision
73.26 to read:

73.27 Subd. 6b. **Transitional period.** (a) Until July 1, 2030, a person must be granted an initial
73.28 certificate as a certified public accountant if the person meets either:

73.29 (1) all requirements under subdivision 6; or

73.30 (2) all requirements under subdivision 6a.

73.31 (b) This subdivision expires July 1, 2030.

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

74.2 Sec. 16. Minnesota Statutes 2024, section 326A.14, is amended to read:

74.3 **326A.14 SUBSTANTIAL EQUIVALENCY MOBILITY.**

74.4 Subdivision 1. **Requirements.** (a) An individual whose principal place of business is
74.5 not in this state and who holds a valid license in good standing as a certified public accountant
74.6 from any state which, upon verification, is in substantial equivalence with the certified
74.7 public accountant licensure requirements of section 326A.03, subdivisions 3, 4, and 6, shall
74.8 be presumed to have qualifications substantially equivalent to this state's requirements and
74.9 shall have all the privileges of licensees of this state without the need to obtain a license,
74.10 if the person:

74.11 (1) holds a valid certificate, license, or permit to practice as a certified public accountant
74.12 that was issued in another state and is in good standing to practice as a certified public
74.13 accountant in that state;

74.14 (2) has a bachelor's degree or higher from an accredited postsecondary school with an
74.15 accounting concentration or equivalent as determined by the board by rule; and

74.16 (3) has passed the Uniform CPA Examination.

74.17 (b) Notwithstanding any contrary provision of this chapter, an individual who offers or
74.18 renders professional services, whether in person, by mail, telephone, or electronic means,
74.19 under this paragraph (a): (1) shall be granted practice privileges in this state; (2) is subject
74.20 to the requirements in paragraph (c); and (3) is not required to provide any notice or other
74.21 submission.

74.22 ~~(b) An individual whose principal place of business is not in this state and who holds a~~
74.23 ~~valid license in good standing as a certified public accountant from any state whose certified~~
74.24 ~~public accountant licensure qualifications, upon verification, are not substantially equivalent~~
74.25 ~~with the licensure requirements of section 326A.03, subdivisions 3, 4, and 6, shall be~~
74.26 ~~presumed to have qualifications substantially equivalent to this state's requirements and~~
74.27 ~~shall have all the privileges of licensees of this state without the need to obtain a license if~~
74.28 ~~the individual obtains verification, as specified in board rule, that the individual's~~
74.29 ~~qualifications are substantially equivalent to the licensure requirements of section 326A.03,~~
74.30 ~~subdivisions 3, 4, and 6. For purposes of this paragraph, any individual who passed the~~
74.31 ~~Uniform CPA Examination and holds a valid license issued by any other state prior to~~
74.32 ~~January 1, 2009, is exempt from the education requirement in section 326A.03, subdivision~~
74.33 ~~6, paragraph (a), provided the individual meets the education requirement in section 326A.03,~~

~~subdivision 3. Notwithstanding any contrary provision of this chapter, an individual who offers or renders professional services, whether in person, by mail, telephone, or electronic means, under this paragraph: (1) shall, after the verification specified by adopted rules, be granted practice privileges in this state; (2) is subject to the requirements in paragraph (c); and (3) is not required to provide any notice or other submission.~~

(c) An individual licensee of another state exercising the privilege afforded under this section and the firm which employs that licensee are deemed to have consented, as a condition of the grant of this privilege:

(1) to the personal and subject matter jurisdiction and disciplinary authority of the board;

(2) to comply with this chapter and the board's rules;

(3) to the appointment of the state board that issued the license as the licensee's agent upon whom process may be served in any action or proceeding by this board against the licensee; and

(4) to cease offering or rendering professional services in this state individually and on behalf of a firm in the event the license issued by the state of the individual's principal place of business is no longer valid or in good standing.

(d) An individual who has been granted practice privileges under this section who performs attest services as defined in section 326A.01, subdivision 2, clause (1), (4), or (5), for any entity with its headquarters in this state, may only do so through a firm which has obtained a permit under section 326A.05.

Subd. 2. **Use of title in another state.** A licensee of this state offering or rendering services or using the CPA title in another state is subject to the same disciplinary action in this state for which the licensee would be subject to discipline for an act committed in the other state. The board shall investigate any complaint made by the board of accountancy of another state.

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

Sec. 17. **REPEALER.**

Subdivision 1. **Board of Accountancy.** Minnesota Rules, part 1105.7900, item D, is repealed.

Subd. 2. **Board of Cosmetologist Examiners.** Laws 2024, chapter 120, article 3, section 2, is repealed.

EFFECTIVE DATE. Subdivision 1 is effective the day following final enactment.

ARTICLE 5

MINNESOTA BUSINESS FILING FRAUD PREVENTION ACT

Section 1. Minnesota Statutes 2024, section 13.485, subdivision 1, is amended to read:

Subdivision 1. **Scope.** The sections referred to in subdivisions 3 to ~~6~~ 7 are codified outside this chapter. Those sections classify corporation data as other than public, place restrictions on access to government data, or involve data sharing.

Sec. 2. Minnesota Statutes 2024, section 13.485, is amended by adding a subdivision to read:

Subd. 7. **Business fraud investigations.** Government data related to investigations under sections 300.70 to 300.78 are governed by section 300.78.

Sec. 3. **[300.70] CITATION AND DEFINITIONS.**

Subdivision 1. **Citation.** Sections 300.70 to 300.78 may be cited as the "Minnesota Business Filing Fraud Prevention Act."

Subd. 2. **Definitions.** (a) For purposes of sections 300.70 to 300.78, the following terms have the meanings given.

(b) "Complainant" means a person who (1) delivers a declaration of wrongful filing, and (2) has a connection to the allegedly wrongful filing or the related business.

(c) "Filer" means the person who has allegedly made a wrongful filing.

(d) "Office" means the Office of the Secretary of State.

Sec. 4. **[300.71] DECLARATION OF WRONGFUL FILING.**

Subdivision 1. **Form and contents of declaration.** (a) A complainant may deliver a declaration of wrongful filing to the office if the complainant believes that a document filed under chapters 301 to 323A:

(1) was not authorized to be filed; and

(2) was filed with the intent to: (i) modify the ownership, registered agent, business address, contact information, governance, or other information of a business on record; or (ii) register a business using another person's name, address, or identity.

(b) A declaration of wrongful filing must include:

(1) the file number of the allegedly wrongful filing;

- 77.1 (2) the complainant's name, mailing address, and email address;
- 77.2 (3) whether the complainant is employed by or has an ownership interest in the business
- 77.3 that is the subject of the filing;
- 77.4 (4) any information or evidence supporting the complainant's allegations under this
- 77.5 section;
- 77.6 (5) a statement verifying the complainant believes in good faith that the facts stated in
- 77.7 the declaration are true; and
- 77.8 (6) any other information the office deems necessary.
- 77.9 (c) The office must provide a form for declarations filed under this section. A complainant
- 77.10 must use the provided form when submitting a declaration of wrongful filing.
- 77.11 (d) A false material statement of fact in a declaration of wrongful filing or any other
- 77.12 document submitted under sections 300.70 to 300.78 is a violation of section 609.48.
- 77.13 Subd. 2. **Review of declaration.** (a) The office must promptly accept or reject a
- 77.14 declaration of wrongful filing.
- 77.15 (b) The office may reject a declaration of wrongful filing that is incomplete, does not
- 77.16 use the provided form, or the office reasonably believes was delivered with the intent to
- 77.17 harass or defraud the filer. The office may reject a declaration of wrongful filing if the office
- 77.18 has already issued a final order on the filing identified in the declaration.
- 77.19 Subd. 3. **Nonexclusive remedy.** The remedy in sections 300.70 to 300.78 is not exclusive.
- 77.20 An aggrieved party may seek district court action regardless of whether the individual has
- 77.21 initiated or completed the procedure described in these sections.
- 77.22 Sec. 5. **[300.72] NOTICE.**
- 77.23 (a) When the office accepts a declaration of wrongful filing, the office must provide
- 77.24 notice of the declaration to the complainant and the filer. The notice must describe the
- 77.25 allegations made in the declaration and the process used to resolve the allegations. The
- 77.26 notice must prominently state the response timeline in section 300.73 and the consequences
- 77.27 if the filer does not respond. The notice must prominently state that a false statement of
- 77.28 material fact in any documents submitted under sections 300.70 to 300.78 is a violation of
- 77.29 section 609.48.
- 77.30 (b) The office must send the notice by first class mail, postage prepaid, to:
- 77.31 (1) the complainant at the mailing address provided in the declaration; and

78.1 (2) the filer at:

78.2 (i) the most recent registered business address associated with the filing named in the
78.3 declaration; or

78.4 (ii) if a mailing address for the filer cannot be identified, the notice may be served on
78.5 the filer as provided under section 5.25, subdivision 6.

78.6 (c) Notice is deemed received by the complainant and the filer upon mailing.

78.7 (d) If the notice to the filer is returned as undeliverable, the office may deem the filing
78.8 fraudulent and immediately issue a final order as provided under section 300.76,
78.9 notwithstanding the time period under section 300.73.

78.10 **Sec. 6. [300.73] RESPONSE.**

78.11 (a) After notice is received, the filer must respond in writing to the allegations in the
78.12 declaration. The response must be received by the office within 21 calendar days of receipt
78.13 of the notice.

78.14 (b) The filer's response under this section must include any information refuting the
78.15 allegations contained in the complainant's declaration.

78.16 **Sec. 7. [300.74] PROCEDURE WHEN NO RESPONSE RECEIVED.**

78.17 If the filer does not respond within the time period under section 300.73, the office must
78.18 deem the filing fraudulent and issue a final order as provided under section 300.76.

78.19 **Sec. 8. [300.75] PROCEDURE WHEN RESPONSE RECEIVED.**

78.20 Subdivision 1. **Preliminary determination.** (a) If the filer responds within the period
78.21 under section 300.73, the office must further investigate the allegations in the declaration
78.22 and information in the response and make a preliminary determination regarding whether
78.23 the filing named in the declaration is fraudulent.

78.24 (b) The office may request additional information from the complainant and the filer if
78.25 necessary to make the preliminary determination.

78.26 Subd. 2. **Notice of preliminary determination.** The office must send notice of the
78.27 preliminary determination to the complainant and the filer in the manner described under
78.28 section 300.72. Notice is deemed received in the manner described under section 300.72.

78.29 Subd. 3. **Response.** After notice is received, the nonprevailing party must respond to
78.30 the preliminary determination within ten calendar days with additional information or

evidence in support of the nonprevailing party's position. The prevailing party may send additional information or evidence within the same time period. The response must be received by the office within the time period provided under this subdivision.

Subd. 4. Procedure if no second response is received. If the nonprevailing party does not respond as required under subdivision 3, the preliminary determination becomes final and the office must issue a final order under section 300.76.

Subd. 5. Procedure if second response is received. If the nonprevailing party responds as required under subdivision 3, the office must consider the additional information provided, make a final determination regarding whether the filing named in the declaration is fraudulent, and issue a final order under section 300.76.

Subd. 6. Factors. When making a preliminary or final determination under this section, the office may consider various factors, including but not limited to:

(1) whether the office has previously received declarations of wrongful filing or issued final orders relating to the business, the filer, or the complainant;

(2) the previous filing history relating to the business, the filer, or the complainant;

(3) whether the filer or complainant failed to respond to a request for additional information; and

(4) whether the office is able to independently verify the information provided by the filer or complainant using publicly available information.

Sec. 9. [300.76] FINAL ORDER.

Subdivision 1. Filings deemed fraudulent. (a) If the office deems a filing fraudulent under section 300.74 or 300.75, the office must issue a final order under this subdivision. The final order must provide the office's rationale for deeming the filing fraudulent.

(b) When a filing is deemed fraudulent pursuant to a final order under this subdivision, the filing must be treated for legal purposes as if the filing never existed. In the case of a business registered using a Minnesota resident's name, address, or identity without the resident's authorization, the business is deemed dissolved.

(c) When a filing is deemed fraudulent pursuant to a final order, the office must:

(1) mark the unauthorized filing or the business record as unauthorized or fraudulent;

(2) redact names and addresses that were used without authorization; and

(3) retain a copy of the final order.

80.1 (d) In addition to the actions in paragraph (c), the office may:

80.2 (1) disable additional filing functionality on the business entity's record; or

80.3 (2) take other action the office deems necessary to prevent further unauthorized filings,
80.4 protect private information, or prevent misuse of unauthorized information.

80.5 Subd. 2. **Filings deemed not fraudulent or insufficient evidence.** If the office
80.6 determines that a filing is not fraudulent or that insufficient information is available to make
80.7 a determination, the office must issue a final order stating that the office is not removing
80.8 the filing from the database. The final order must provide the office's rationale for
80.9 determining that the filing is not fraudulent or that insufficient information is available to
80.10 make a determination.

80.11 Sec. 10. **[300.77] JUDICIAL REVIEW.**

80.12 (a) Any party who is aggrieved by a final order under section 300.76 may appeal the
80.13 order to the district court of the Minnesota county where the business that is the subject of
80.14 the final order is registered or was registered before the business's dissolution or, if the
80.15 business is not registered in Minnesota, to the district court of Ramsey County. The aggrieved
80.16 party may also appeal the final order as part of any district court action between the filer
80.17 and complainant where the filing at issue is relevant to the issues in the case.

80.18 (b) The aggrieved party must serve a written copy of a notice of appeal upon the office
80.19 and any adverse party of record within 30 calendar days after the date the final order was
80.20 issued and must also file the original notice and proof of service with the court administrator
80.21 of the district court. Service may be made in person or by mail. Service by mail is complete
80.22 upon mailing. The court administrator is prohibited from requiring a filing fee for appeals
80.23 taken pursuant to this section.

80.24 (c) The office may elect to become a party to the proceedings in the district court.

80.25 (d) The court may order that the office furnish the court and all parties to the proceedings
80.26 with a copy of the decision, the filing that is the subject of the decision, and any materials
80.27 or information submitted to the office. Any materials provided under this section that are
80.28 filed with the court must be done so under restricted access unless the court orders otherwise.

80.29 (e) A party may obtain a hearing at a special term of the district court by serving a written
80.30 notice of the hearing's time and place at least ten days before the date of the hearing.

81.1 (f) A party aggrieved by the order of the district court may appeal the order as in other
81.2 civil cases. Costs or disbursements must not be taxed against a party. A filing fee or bond
81.3 must not be required of a party.

81.4 Sec. 11. **[300.78] DATA PRACTICES.**

81.5 Subdivision 1. **Definitions.** For purposes of this section, "nonpublic data" has the meaning
81.6 given in section 13.02, subdivision 9, and "private data on individuals" has the meaning
81.7 given in section 13.02, subdivision 12.

81.8 Subd. 2. **Data classification.** Data submitted by a complainant or filer under sections
81.9 300.70 to 300.78 is classified as nonpublic data or private data on individuals. A final order
81.10 under section 300.76 is public data, subject to the following: the complainant or filer's
81.11 personal contact information is classified as private data on individuals. The unredacted
81.12 version of a filing deemed fraudulent pursuant to a final order under section 300.76,
81.13 subdivision 1, is classified as nonpublic data or private data on individuals. The version of
81.14 the filing that has been redacted pursuant to section 300.76, subdivision 1, paragraph (c),
81.15 is classified as public data.

81.16 Subd. 3. **Dissemination permitted.** Notwithstanding subdivision 2, the office may
81.17 disseminate data of any classification collected, created, or maintained under sections 300.70
81.18 to 300.78:

81.19 (1) to the attorney general to aid the office in the investigation and review of a filing
81.20 that is the subject of a declaration of wrongful filing;

81.21 (2) to a person or agency if the office determines that access to the data aids a criminal
81.22 or civil investigation; or

81.23 (3) if required or authorized by a court order or other state or federal law.

81.24 Sec. 12. **[300.80] PROHIBITION ON DECEPTIVE BUSINESS MAILINGS.**

81.25 Subdivision 1. **Definition.** For purposes of this section, "solicitation" means a
81.26 communication that is sent by a nongovernment third party to a business and that purports
81.27 to:

81.28 (1) notify the business of an operating requirement, including but not limited to filing
81.29 documents with or retrieving documents from the Office of the Minnesota Secretary of
81.30 State; or

82.1 (2) offer a service that relates to filing documents with, producing documents for, or
82.2 reporting information to the Office of the Minnesota Secretary of State.

82.3 Subd. 2. **Design and content requirements.** (a) A solicitation must:

82.4 (1) include a clear statement indicating that the solicitation is an advertisement and is
82.5 not from a government agency. The statement must be placed at the top of a physical
82.6 document or the beginning of an electronic communication and must be in at least 24-point
82.7 font. All other text in the document must be smaller than the statement required by this
82.8 clause;

82.9 (2) provide information indicating where an individual is able to directly file documents
82.10 with the secretary of state or retrieve copies of public records;

82.11 (3) disclose the name and physical address of the company sending the solicitation. The
82.12 physical address must not be a post office box; and

82.13 (4) for a mailed solicitation, prominently display in capital letters on the envelope or
82.14 outer wrapper the words "THIS IS NOT A GOVERNMENT DOCUMENT."

82.15 (b) The overall design and language of a solicitation must not:

82.16 (1) create the impression that the solicitation is an official government notice or document;

82.17 (2) incorporate the Minnesota state seal or other logo or branding of the state or any
82.18 state agency; or

82.19 (3) indicate or imply a legal duty to act on the solicitation or a penalty for failure to act
82.20 on the solicitation.

82.21 Subd. 3. **Penalties.** (a) A person who sends a solicitation that does not comply with the
82.22 requirements of this section is guilty of a misdemeanor.

82.23 (b) A violation of this section is a violation of sections 325D.43 to 325D.48.

82.24 Sec. 13. Minnesota Statutes 2024, section 609.48, subdivision 1, is amended to read:

82.25 Subdivision 1. **Acts constituting.** Whoever makes a false material statement not believing
82.26 it to be true in any of the following cases is guilty of perjury and may be sentenced as
82.27 provided in subdivision 4:

82.28 (1) in or for an action, hearing or proceeding of any kind in which the statement is
82.29 required or authorized by law to be made under oath or affirmation;

82.30 (2) in any writing which is required or authorized by law to be under oath or affirmation;

- 83.1 (3) in any writing made according to section 358.115;
- 83.2 (4) in any writing made according to section 358.116; ~~or~~
- 83.3 (5) in any writing made according to sections 300.70 to 300.78; or
- 83.4 ~~(5)~~ (6) in any other case in which the penalties for perjury are imposed by law and no
- 83.5 specific sentence is otherwise provided.

83.6 Sec. 14. **RULEMAKING.**

- 83.7 The secretary of state may adopt rules to carry out the provisions of this act.
- 83.8 Notwithstanding section 14.125, no time limit applies to the authority granted under this
- 83.9 section.

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

83.11 Sec. 15. **EFFECTIVE DATE.**

- 83.12 Sections 3 to 11 are effective for filings made on or after January 1, 2026.

83.13 **ARTICLE 6**

83.14 **BUSINESS FILING FEES**

- 83.15 Section 1. Minnesota Statutes 2024, section 302A.153, is amended to read:

83.16 **302A.153 EFFECTIVE DATE OF ARTICLES.**

- 83.17 Articles of incorporation are effective and corporate existence begins when the articles
- 83.18 of incorporation are filed with the secretary of state accompanied by a payment of ~~\$135~~
- 83.19 \$145, which includes a ~~\$100~~ \$110 incorporation fee in addition to the \$35 filing fee required
- 83.20 by section 302A.011, subdivision 11. Articles of amendment are effective when filed with
- 83.21 the secretary of state or at another time within 30 days after filing if the articles of amendment
- 83.22 so provide. Articles of merger must be accompanied by a fee of \$60, which includes a \$25
- 83.23 merger fee in addition to the \$35 filing fee required by section 302A.011, subdivision 11.

- 83.24 Sec. 2. Minnesota Statutes 2024, section 303.06, is amended by adding a subdivision to
- 83.25 read:

- 83.26 Subd. 3. **Fees.** The fee for filing an application for a certificate of authority with the
- 83.27 secretary of state is \$60.

84.1 Sec. 3. Minnesota Statutes 2024, section 303.21, is amended to read:

84.2 **303.21 FEES.**

84.3 Subd. 3. **Other instruments.** A fee of \$50 shall be paid to the secretary of state for filing
84.4 any instrument, other than the application for certificate of authority required by section
84.5 303.06 and the annual report renewal required by section 303.14, required or permitted to
84.6 be filed under the provisions of this chapter. The fees shall be paid at the time of the filing
84.7 of the instrument.

84.8 Sec. 4. Minnesota Statutes 2024, section 308A.131, subdivision 2, is amended to read:

84.9 Subd. 2. **Filing articles.** (a) The original articles must be filed with the secretary of state.

84.10 (b) The fee for filing the articles with the secretary of state is ~~\$60~~ \$65.

84.11 Sec. 5. Minnesota Statutes 2024, section 308B.215, subdivision 2, is amended to read:

84.12 Subd. 2. **Filing.** The original articles shall be filed with the secretary of state. The fee
84.13 for filing the articles with the secretary of state is ~~\$60~~ \$65.

84.14 Sec. 6. Minnesota Statutes 2024, section 317A.151, subdivision 2, is amended to read:

84.15 Subd. 2. **Effective date.** Articles of incorporation are effective and corporate existence
84.16 begins when the articles of incorporation are filed with the secretary of state accompanied
84.17 by a payment of ~~\$70~~ \$75, which includes a ~~\$35~~ \$40 incorporation fee in addition to the \$35
84.18 filing fee required by section 317A.011, subdivision 8. Articles of amendment are effective
84.19 when filed with the secretary of state or at another time within 31 days after filing if the
84.20 articles of amendment so provide.

84.21 Sec. 7. Minnesota Statutes 2024, section 321.0206, is amended to read:

84.22 **321.0206 DELIVERY TO AND FILING OF RECORDS BY SECRETARY OF**
84.23 **STATE; EFFECTIVE TIME AND DATE.**

84.24 (a) A record authorized or required to be delivered to the secretary of state for filing
84.25 under this chapter must be captioned to describe the record's purpose, be in a medium
84.26 permitted by the secretary of state, and be delivered to the secretary of state. Unless the
84.27 secretary of state determines that a record does not comply with the filing requirements of
84.28 this chapter, and if the appropriate filing fees have been paid, the secretary of state shall
84.29 file the record and:

84.30 (1) for a statement of dissociation, send:

85.1 (A) a copy of the filed statement to the person which the statement indicates has
85.2 dissociated as a general partner; and

85.3 (B) a copy of the filed statement to the limited partnership;

85.4 (2) for a statement of withdrawal, send:

85.5 (A) a copy of the filed statement to the person on whose behalf the record was filed; and

85.6 (B) if the statement refers to an existing limited partnership, a copy of the filed statement
85.7 to the limited partnership; and

85.8 (3) for all other records, send a copy of the filed record to the person on whose behalf
85.9 the record was filed.

85.10 (b) Upon request and payment of a fee, the secretary of state shall send to the requester
85.11 a certified copy of the requested record.

85.12 (c) Except as otherwise provided in sections 321.0116 and 321.0207, a record delivered
85.13 to the secretary of state for filing under this chapter may specify an effective time and a
85.14 delayed effective date. Except as otherwise provided in this chapter, a record filed by the
85.15 secretary of state is effective:

85.16 (1) if the record does not specify an effective time and does not specify a delayed effective
85.17 date, on the date and at the time the record is filed as evidenced by the secretary of state's
85.18 endorsement of the date and time on the record;

85.19 (2) if the record specifies an effective time but not a delayed effective date, on the date
85.20 the record is filed at the time specified in the record;

85.21 (3) if the record specifies a delayed effective date but not an effective time, at 12:01
85.22 a.m. on the earlier of:

85.23 (A) the specified date; or

85.24 (B) the 30th day after the record is filed; or

85.25 (4) if the record specifies an effective time and a delayed effective date, at the specified
85.26 time on the earlier of:

85.27 (A) the specified date; or

85.28 (B) the 30th day after the record is filed.

85.29 (d) The appropriate fees for filings under this chapter are:

85.30 (1) for filing a certificate of limited partnership, ~~\$100~~ \$110;

- 86.1 (2) for filing an amended certificate of limited partnership, \$50;
- 86.2 (3) for filing a name reservation for a limited partnership name, \$35;
- 86.3 (4) for filing any other record, other than the annual renewal required by section 321.0210,
- 86.4 for which no fee must be charged, required or permitted to be delivered for filing, \$50;
- 86.5 (5) for filing a certificate requesting authority to transact business in Minnesota as a
- 86.6 foreign limited partnership, ~~\$100~~ \$110;
- 86.7 (6) for filing an application of reinstatement, \$25;
- 86.8 (7) for filing a name reservation for a foreign limited partnership name, \$35; and
- 86.9 (8) for filing any other record, other than the annual renewal required by section 321.0210,
- 86.10 for which no fee must be charged, required or permitted to be delivered for filing on a
- 86.11 foreign limited partnership authorized to transact business in Minnesota, \$50.

86.12 Sec. 8. Minnesota Statutes 2024, section 322C.0201, subdivision 4, is amended to read:

86.13 Subd. 4. **Formation.** (a) A limited liability company is formed when articles of

86.14 organization have been filed with the secretary of state accompanied by a payment of ~~\$135~~

86.15 \$145.

86.16 (b) Except in a proceeding by this state to dissolve a limited liability company, the filing

86.17 of the articles of organization by the secretary of state is conclusive proof that the organizer

86.18 satisfied all conditions to the formation of a limited liability company.

86.19 (c) The formation of a limited liability company does not by itself cause any person to

86.20 become a member. However, this chapter does not preclude an agreement, made before or

86.21 after formation of a limited liability company, which provides that one or more persons will

86.22 become members, or acknowledging that one or more persons became members, upon or

86.23 otherwise in connection with the formation of the limited liability company.

86.24 Sec. 9. Minnesota Statutes 2024, section 322C.0802, is amended to read:

86.25 **322C.0802 APPLICATION FOR CERTIFICATE OF AUTHORITY.**

86.26 Before transacting business in this state, a foreign limited liability company shall obtain

86.27 a certificate of authority to transact business in this state by filing an application with the

86.28 secretary of state together with a total fee of ~~\$185~~ \$195. The application must state:

- 86.29 (1) the name of the company and any alternate name adopted pursuant to section
- 86.30 322C.0805, subdivision 1;

- 87.1 (2) the name of the state or other jurisdiction under whose law the company is formed;
- 87.2 (3) a statement that the foreign limited liability company has complied with the
- 87.3 organizational laws in the jurisdiction under whose laws the company is formed;
- 87.4 (4) the street address of the company's principal place of business and, if the law of the
- 87.5 jurisdiction under which the company is formed requires the company to maintain an office
- 87.6 in that jurisdiction, the street address of the required office; and
- 87.7 (5) the name and street address of the company's initial registered office and agent for
- 87.8 service of process in this state.

87.9 Sec. 10. Minnesota Statutes 2024, section 323A.0101, is amended to read:

87.10 **323A.0101 DEFINITIONS.**

87.11 In this chapter:

- 87.12 (1) "Business" includes every trade, occupation, and profession.
- 87.13 (2) "Debtor in bankruptcy" means a person who is the subject of:
- 87.14 (i) an order for relief under title 11 of the United States Code or a comparable order
- 87.15 under a successor statute of general application; or
- 87.16 (ii) a comparable order under federal, state, or foreign law governing insolvency.
- 87.17 (3) "Distribution" means a transfer of money or other property from a partnership to a
- 87.18 partner in the partner's capacity as a partner or to the partner's transferee.
- 87.19 (4) "Executed" means signed.
- 87.20 (5) "Filed" or "filed with the secretary of state" means that a document meeting the
- 87.21 applicable requirements of this chapter, signed, and accompanied by a filing fee of ~~\$135~~
- 87.22 \$145, has been delivered to the secretary of state. The secretary of state shall endorse on
- 87.23 the document the word "Filed" and the month, day, and year of filing; record the document
- 87.24 in the Office of the Secretary of State; and return a document to the person who delivered
- 87.25 it for filing.
- 87.26 (6) "Foreign limited liability partnership" means a partnership that:
- 87.27 (i) is formed under laws other than the laws of this state; and
- 87.28 (ii) has the status of a limited liability partnership under those laws.

88.1 (7) "Limited liability partnership" means a partnership that has filed a statement of
88.2 qualification under section 323A.1001 and does not have a similar statement in effect in
88.3 any other jurisdiction.

88.4 (8) "Partnership" means an association of two or more persons to carry on as co-owners
88.5 a business for profit, including a limited liability partnership, formed under section
88.6 323A.0202, predecessor law, or comparable law of another jurisdiction.

88.7 (9) "Partnership agreement" means the agreement, whether written, oral, or implied,
88.8 among the partners concerning the partnership, including amendments to the partnership
88.9 agreement.

88.10 (10) "Partnership at will" means a partnership in which the partners have not agreed to
88.11 remain partners until the expiration of a definite term or the completion of a particular
88.12 undertaking.

88.13 (11) "Partnership interest" or "partner's interest in the partnership" means all of a partner's
88.14 interests in the partnership, including the partner's transferable interest and all management
88.15 and other rights.

88.16 (12) "Person" means an individual, corporation, business trust, estate, trust, partnership,
88.17 association, joint venture, government, governmental subdivision, agency, or instrumentality,
88.18 or any other legal or commercial entity.

88.19 (13) "Property" means all property, real, personal, or mixed, tangible or intangible, or
88.20 any interest in property.

88.21 (14) "Record," "recorded," and "recording" mean that a certified copy of a statement
88.22 meeting the applicable requirements of this chapter as filed with the secretary of state has
88.23 been recorded in the office of the county recorder in the county in which the real property
88.24 affected by the statement is located or, if the real property is registered under chapter 508
88.25 or 508A, memorialized on the certificate of title for that property.

88.26 (15) "Signed" means that:

88.27 (i) the signature of a person has been written on a document, as provided in section
88.28 645.44, subdivision 14; and

88.29 (ii) with respect to a document that may be filed with the secretary of state, the document
88.30 has been signed by a person authorized to do so by this chapter, by the partnership agreement,
88.31 or by a resolution approved as provided in the partnership agreement.

89.1 A signature on a document may be a facsimile affixed, engraved, printed, placed, stamped
89.2 with indelible ink, transmitted by facsimile or electronically, or in any other manner
89.3 reproduced on the document.

89.4 (16) "State" means a state of the United States, the District of Columbia, the
89.5 Commonwealth of Puerto Rico, or any territory or insular possession subject to the
89.6 jurisdiction of the United States.

89.7 (17) "Statement" means a statement of partnership authority under section 323A.0303,
89.8 a statement of denial under section 323A.0304, a statement of dissociation under section
89.9 323A.0704, a statement of dissolution under section 323A.0805, a statement of merger
89.10 under section 323A.0907, a statement of qualification under section 323A.1001, a statement
89.11 of foreign qualification under section 323A.1102, or an amendment or cancellation of any
89.12 of the foregoing.

89.13 (18) "Transfer" includes an assignment, conveyance, lease, mortgage, deed, and
89.14 encumbrance.

89.15 ARTICLE 7

89.16 LOCAL GOVERNMENT POLICY

89.17 Section 1. Minnesota Statutes 2024, section 13D.02, subdivision 1, is amended to read:

89.18 Subdivision 1. **Conditions.** ~~(a)~~ A meeting governed by section 13D.01, subdivisions 1,
89.19 2, 4, and 5, and this section may be conducted by interactive technology so long as:

89.20 (1) all members of the body participating in the meeting, wherever their physical location,
89.21 can hear and see one another and can hear and see all discussion and testimony presented
89.22 at any location at which at least one member is present;

89.23 (2) members of the public present at the regular meeting location of the body can hear
89.24 and see all discussion and testimony and all votes of members of the body;

89.25 (3) at least one member of the body is physically present at the regular meeting location;
89.26 and

89.27 (4) all votes are conducted by roll call so each member's vote on each issue can be
89.28 identified and recorded; ~~and.~~

89.29 ~~(5) each location at which a member of the body is present is open and accessible to the~~
89.30 ~~public.~~

90.1 ~~(b) A meeting satisfies the requirements of paragraph (a), although a member of the~~
 90.2 ~~public body participates from a location that is not open or accessible to the public, if the~~
 90.3 ~~member has not participated more than three times in a calendar year from a location that~~
 90.4 ~~is not open or accessible to the public, and:~~

90.5 ~~(1) the member is serving in the military and is at a required drill, deployed, or on active~~
 90.6 ~~duty; or~~

90.7 ~~(2) the member has been advised by a health care professional against being in a public~~
 90.8 ~~place for personal or family medical reasons.~~

90.9 Sec. 2. Minnesota Statutes 2024, section 13D.02, subdivision 4, is amended to read:

90.10 Subd. 4. **Notice of regular and all-member meeting locations.** If interactive technology
 90.11 is used to conduct a regular, special, or emergency meeting, the public body shall provide
 90.12 notice of the regular meeting location and ~~notice of any location where a member of the~~
 90.13 ~~public body will be participating~~ the fact that members may participate in the meeting by
 90.14 interactive technology, ~~except for the locations of members participating pursuant to~~
 90.15 ~~subdivision 1, paragraph (b).~~ The timing and method of providing notice of the regular
 90.16 meeting location must be as described in section 13D.04.

90.17 Sec. 3. Minnesota Statutes 2024, section 222.37, subdivision 1, is amended to read:

90.18 Subdivision 1. **Use requirements.** (a) Any water power, telegraph, telephone, pneumatic
 90.19 tube, pipeline, community antenna television, cable communications or electric light, heat,
 90.20 power company, entity that receives a route permit under chapter 216E for a high-voltage
 90.21 transmission line necessary to interconnect an electric power generating facility with
 90.22 transmission lines or associated facilities of an entity that directly, or through its members
 90.23 or agents, provides retail electric service in the state, or fire department may use public
 90.24 roads for the purpose of constructing, using, operating, and maintaining lines, subways,
 90.25 canals, conduits, transmission lines, hydrants, or dry hydrants, for their business, but such
 90.26 lines shall be so located as in no way to interfere with the safety and convenience of ordinary
 90.27 travel along or over the same; and, in the construction and maintenance of such line, subway,
 90.28 canal, conduit, transmission lines, hydrants, or dry hydrants, the entity shall be subject to
 90.29 all reasonable regulations imposed by the governing body of any county, town or city in
 90.30 which such public road may be. If the governing body does not require the entity to obtain
 90.31 a permit, an entity shall notify the governing body of any county, town, or city having
 90.32 jurisdiction over a public road prior to the construction or major repair, involving extensive
 90.33 excavation on the road right-of-way, of the entity's equipment along, over, or under the

public road, unless the governing body waives the notice requirement. A waiver of the notice requirement must be renewed on an annual basis. For emergency repair an entity shall notify the governing body as soon as practical after the repair is made. Nothing herein shall be construed to grant to any person any rights for the maintenance of a telegraph, telephone, pneumatic tube, community antenna television system, cable communications system, or light, heat, power system, electric power generating system, high-voltage transmission line, or hydrant system within the corporate limits of any city until such person shall have obtained the right to maintain such system within such city or for a period beyond that for which the right to operate such system is granted by such city.

(b) Any public water district, sewer district, or combination water and sewer district established under chapter 116A may install water and sewer lines and all other ancillary infrastructure within a public road right-of-way in accordance with paragraph (a).

Sec. 4. Minnesota Statutes 2024, section 331A.10, subdivision 2, is amended to read:

Subd. 2. **Discontinuance.** (a) When a newspaper ceases to be published before the publication of a public notice is commenced, or when commenced ceases before the publication is completed, the following procedures apply: (1) when the publication is required by court order, the order for publication, when one is required in the first instance, may be amended by order of the court or judge, to designate another newspaper, as may be necessary; or (2) when the publication is required by law, rule, or ordinance, the publication may be made or completed in any other qualified newspaper.

(b) If no qualified newspaper is available for publication of a public notice after the discontinuance of a newspaper, the political subdivision must post the information required to be published on the political subdivision's website until another qualified newspaper is identified, which shall then be designated. During the time when no qualified newspaper is available, the political subdivision must also post the public notice on the Minnesota Newspaper Association's statewide public notice website, at no additional cost to the political subdivision.

(c) Any time during which the notice is published in the first a newspaper prior to its discontinuance shall be calculated as a part of the time required for the publication, proof of which may be made by affidavit of any person acquainted with the facts.

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

92.1 Sec. 5. Minnesota Statutes 2024, section 367.36, subdivision 1, is amended to read:

92.2 Subdivision 1. **Transition; audit.** (a) In a town in which option D is adopted, the
92.3 incumbent treasurer shall continue in office until the expiration of the term. Thereafter, or
92.4 at any time a vacancy other than a temporary vacancy under section 367.03 occurs in the
92.5 position, the duties of the treasurer prescribed by law shall be performed by the clerk who
92.6 shall be referred to as the clerk-treasurer. If option D is adopted at an election in which the
92.7 treasurer is also elected, the election of the treasurer's position is void.

92.8 (b) If the offices of clerk and treasurer are combined and the town's annual revenue for
92.9 all governmental and enterprise funds combined is more than the amount in paragraph (c),
92.10 the town board shall provide for an annual audit of the town's financial affairs by the state
92.11 auditor or a public accountant in accordance with minimum audit procedures prescribed by
92.12 the state auditor. If the offices of clerk and treasurer are combined and the town's annual
92.13 revenue for all governmental and enterprise funds combined is the amount in paragraph (c)
92.14 or less, the town board shall provide for an audit of the town's financial affairs by the state
92.15 auditor or a public accountant in accordance with minimum audit procedures prescribed by
92.16 the state auditor at least once every five years, which audit shall be for a one-year period
92.17 to be determined at random by the person conducting the audit. Upon completion of an
92.18 audit by a public accountant, the public accountant shall forward a copy of the audit to the
92.19 state auditor. For purposes of this subdivision, "public accountant" means a certified public
92.20 accountant or a certified public accounting firm licensed in accordance with chapter 326A.

92.21 (c) For the purposes of paragraph (b), the amount in ~~2004~~ 2025 is ~~\$150,000~~ \$1,000,000,
92.22 and ~~in 2005 and after, \$150,000~~ is adjusted annually thereafter for inflation using the annual
92.23 implicit price deflator for state and local expenditures as published by the United States
92.24 Department of Commerce.

92.25 **EFFECTIVE DATE.** This section is effective August 1, 2025, and applies to audits
92.26 performed for 2026 and thereafter.

92.27 Sec. 6. **[383A.151] RAMSEY COUNTY ECONOMIC DEVELOPMENT**
92.28 **AUTHORITY.**

92.29 Subdivision 1. **Creation.** (a) There is created in the county of Ramsey a public body,
92.30 corporate and politic, known as the Ramsey County Economic Development Authority,
92.31 that has the powers contained in sections 469.090 to 469.108, except for sections 469.101,
92.32 subdivision 19, 469.102, and 469.107; the powers of a housing and redevelopment authority
92.33 under sections 469.001 to 469.047; and the powers of a city under sections 469.124 to
92.34 469.133. For purposes of applying chapter 469 to the county of Ramsey, the county has all

93.1 the powers and duties of a city; the county board has all the powers and duties of a governing
 93.2 body; the chair of the county board has all the powers and duties of a mayor; and, with
 93.3 respect to the exercise of the powers under section 469.008, the area of operation includes
 93.4 the area within the territorial boundaries of the county.

93.5 (b) Section 469.1082 does not apply to the county of Ramsey, except for section
 93.6 469.1082, subdivision 5.

93.7 Subd. 2. **Commissioners.** Notwithstanding the provisions of chapter 469 or other law
 93.8 to the contrary, the Ramsey County Economic Development Authority consists of seven
 93.9 commissioners. The county board must appoint the commissioners and fill vacancies in the
 93.10 office of any commissioner. Pursuant to Ramsey County Resolution No. 94-357, dated July
 93.11 26, 1994, the Ramsey County Board of Commissioners also constitutes the Ramsey County
 93.12 Housing and Redevelopment Authority. The board may, by resolution, appoint the sitting
 93.13 commissioners of the Ramsey County Housing and Redevelopment Authority as
 93.14 commissioners of the Ramsey County Economic Development Authority, the terms of each
 93.15 commissioner corresponding accordingly.

93.16 **EFFECTIVE DATE.** This section is effective the day after the governing body of
 93.17 Ramsey County and its chief clerical officer comply with Minnesota Statutes, section
 93.18 645.021, subdivisions 2 and 3.

93.19 Sec. 7. **[383A.152] RAMSEY COUNTY HOUSING AND REDEVELOPMENT**
 93.20 **AUTHORITY; ADDITIONAL POWERS.**

93.21 The Ramsey County Housing and Redevelopment Authority, established pursuant to
 93.22 Ramsey County Resolution No. 93-155, dated March 9, 1993, shall have the powers and
 93.23 duties of the Ramsey County Economic Development Authority under section 383A.151
 93.24 and shall retain all the powers of a housing and redevelopment authority under sections
 93.25 469.001 to 469.047. For purposes of applying chapter 469 to the county of Ramsey, the
 93.26 county has all the powers and duties of a city; the county board has all the powers and duties
 93.27 of a governing body; the chair of the county has all the powers and duties of a mayor; and,
 93.28 with respect to the exercise of the powers under section 469.008, the area of operation
 93.29 includes the area within the territorial boundaries of the county.

93.30 **EFFECTIVE DATE.** This section is effective the day after the governing body of
 93.31 Ramsey County and its chief clerical officer comply with Minnesota Statutes, section
 93.32 645.021, subdivisions 2 and 3.

94.1 Sec. 8. Minnesota Statutes 2024, section 383C.035, is amended to read:

94.2 **383C.035 UNCLASSIFIED CIVIL SERVICE.**

94.3 (a) The officers and employees of the county and of any agency, board, or commission,
94.4 supported in whole or in part by taxation upon the taxable property of the county or appointed
94.5 by the judges of the district court for the county, are divided into the unclassified and
94.6 classified service.

94.7 (b) The unclassified service comprises:

94.8 (1) all officers elected by popular vote or persons appointed to fill vacancies in such
94.9 offices;

94.10 (2) superintendent or principal administrative officer or comptroller of any separate
94.11 department of county government which is now or hereafter created pursuant to law, who
94.12 is directly responsible to the board of county commissioners or any other board or
94.13 commission, as well as the county agricultural agents reporting to the county extension
94.14 committee;

94.15 (3) members of nonpaid board, or commissioners appointed by the board of county
94.16 commissioners or acting in an advisory capacity;

94.17 (4) assistant county attorneys or special investigators in the employ of the county attorney.
94.18 For purposes of this section, special investigators are defined as all nonclerical positions in
94.19 the employ of the county attorney;

94.20 (5) all common labor temporarily employed on an hourly basis;

94.21 (6) not more than a total of nine full-time equivalent clerical employees serving the
94.22 county board and administrator;

94.23 (7) a legislative lobbyist/grant coordinator appointed by the county board to act as
94.24 legislative liaison with the St. Louis County legislative delegation and pursue legislative
94.25 concerns and grant opportunities for the county, and the clerk for that position;

94.26 (8) any department head and deputy director designated by the county board;

94.27 (9) three administrative assistants in the county administrator's office;

94.28 (10) the county administrator and ~~two~~ deputy administrators; and

94.29 (11) all court bailiffs.

94.30 (c) The classified service includes all other positions now existing and hereinafter created
94.31 in the service of the county or any board or commission, agency, or offices of the county.

95.1 Sec. 9. Minnesota Statutes 2024, section 412.02, subdivision 3, is amended to read:

95.2 Subd. 3. **Clerk, treasurer combined; audit standards.** (a) In cities operating under
95.3 the standard plan of government the council may by ordinance adopted at least 60 days
95.4 before the next regular city election combine the offices of clerk and treasurer in the office
95.5 of clerk-treasurer, but such an ordinance shall not be effective until the expiration of the
95.6 term of the incumbent treasurer or when an earlier vacancy occurs. After the effective date
95.7 of the ordinance, the duties of the treasurer and deputy treasurer as prescribed by this chapter
95.8 shall be performed by the clerk-treasurer or a duly appointed deputy. The offices of clerk
95.9 and treasurer may be reestablished by ordinance.

95.10 (b) If the offices of clerk and treasurer are combined as provided by this section and the
95.11 city's annual revenue for all governmental and enterprise funds combined is more than the
95.12 amount in paragraph (c), the council shall provide for an annual audit of the city's financial
95.13 affairs by the state auditor or a public accountant in accordance with minimum auditing
95.14 procedures prescribed by the state auditor. If the offices of clerk and treasurer are combined
95.15 and the city's annual revenue for all governmental and enterprise funds combined is the
95.16 amount in paragraph (c), or less, the council shall provide for an audit of the city's financial
95.17 affairs by the state auditor or a public accountant in accordance with minimum audit
95.18 procedures prescribed by the state auditor at least once every five years, which audit shall
95.19 be for a one-year period to be determined at random by the person conducting the audit.

95.20 (c) For the purposes of paragraph (b), the amount in ~~2004~~ 2025 is ~~\$150,000~~ \$1,000,000,
95.21 and ~~in 2005 and after, \$150,000~~ is adjusted annually thereafter for inflation using the annual
95.22 implicit price deflator for state and local expenditures as published by the United States
95.23 Department of Commerce.

95.24 **EFFECTIVE DATE.** This section is effective August 1, 2025, and applies to audits
95.25 performed for 2026 and thereafter.

95.26 Sec. 10. Minnesota Statutes 2024, section 412.591, subdivision 3, is amended to read:

95.27 Subd. 3. **Audit standards if combined.** (a) If the offices of clerk and treasurer are
95.28 combined as provided by this section, and the city's annual revenue for all governmental
95.29 and enterprise funds combined is more than the amount in paragraph (b), the council shall
95.30 provide for an annual audit of the city's financial affairs by the state auditor or a certified
95.31 public accountant in accordance with minimum procedures prescribed by the state auditor.
95.32 If the offices of clerk and treasurer are combined and the city's annual revenue for all
95.33 governmental and enterprise funds combined is the amount in paragraph (b), or less, the
95.34 council shall provide for an audit of the city's financial affairs by the state auditor or a

96.1 certified public accountant in accordance with minimum audit procedures prescribed by the
 96.2 state auditor at least once every five years, which audit shall be for a one-year period to be
 96.3 determined at random by the person conducting the audit.

96.4 (b) For the purposes of paragraph (a), the amount in ~~2004~~ 2025 is ~~\$150,000~~ \$1,000,000,
 96.5 and ~~in 2005 and after, \$150,000~~ is adjusted annually thereafter for inflation using the annual
 96.6 implicit price deflator for state and local expenditures as published by the United States
 96.7 Department of Commerce.

96.8 **EFFECTIVE DATE.** This section is effective August 1, 2025, and applies to audits
 96.9 performed for 2026 and thereafter.

96.10 Sec. 11. Minnesota Statutes 2024, section 466.01, subdivision 1, is amended to read:

96.11 Subdivision 1. **Municipality.** For the purposes of sections 466.01 to 466.15,
 96.12 "municipality" means any city, whether organized under home rule charter or otherwise,
 96.13 any county, town, public authority, public corporation, nonprofit firefighting corporation
 96.14 that has associated with it a relief association as defined in section 424A.001, subdivision
 96.15 4, special district, school district, however organized, public water or sewer system formed
 96.16 under chapter 116A, county agricultural society organized pursuant to chapter 38, joint
 96.17 powers board or organization created under section 471.59 or other statute, public library,
 96.18 regional public library system, multicounty multitype library system, the following local
 96.19 collaboratives whose plans have been approved by the Children's Cabinet: family services
 96.20 collaboratives established under section 142D.15, children's mental health collaboratives
 96.21 established under sections 245.491 to 245.495, or a collaborative established by the merger
 96.22 of a children's mental health collaborative and a family services collaborative, other political
 96.23 subdivision, community action agency, or a limited partnership in which a community action
 96.24 agency is the sole general partner.

96.25 **EFFECTIVE DATE.** This section is effective August 1, 2025, and applies to causes
 96.26 of action accruing on or after that date.

96.27 Sec. 12. **[471.3458] VOLUNTEER EMERGENCY SERVICES PROVIDERS; TIRE**
 96.28 **PURCHASES.**

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

96.31 (b) "Fire department" has the meaning given in section 299N.01, subdivision 2.

96.32 (c) "Municipality" means a statutory or home rule charter city or a town.

(d) "Volunteer emergency services provider" means a volunteer firefighter, as defined in section 299N.03, subdivision 7; volunteer ambulance attendant, as defined in section 144E.001, subdivision 15; volunteer paramedic; or any other volunteer emergency medical personnel performing emergency medical services for a municipality or fire department.

Subd. 2. **Tire purchases.** A municipality or fire department may authorize a volunteer emergency services provider who has performed services for the municipality or fire department for at least three years and who is currently performing services for the municipality or fire department to purchase up to four vehicle tires for one personal vehicle owned by the volunteer emergency services provider every three years under a contract for tires from which the municipality or fire department purchases vehicle tires. The volunteer emergency services provider must pay for any tires purchased under this section, including all applicable taxes and fees.

Subd. 3. **Authorization requirements.** (a) The authorization by a municipality or fire department to purchase tires under this section must be in writing on the municipality's or fire department's letterhead and include the following:

(1) the volunteer emergency services provider's name;

(2) the number of years the volunteer emergency services provider has performed services for the municipality or fire department;

(3) the license plate number of the personal vehicle on which the tires will be placed; and

(4) a reference to the contract under which the municipality or fire department purchases vehicle tires.

(b) The municipality or fire department must document how many tires each volunteer emergency services provider purchases during the periods specified in this section.

Sec. 13. Minnesota Statutes 2024, section 477A.017, subdivision 3, is amended to read:

Subd. 3. **Conformity.** Other law to the contrary notwithstanding, in order to receive distributions under sections 477A.011 to 477A.03, counties ~~and~~, cities, and towns must conform to the standards set in subdivision 2 in making all financial reports required to be made to the state auditor.

98.1 Sec. 14. **REPEALER.**

98.2 (a) Minnesota Statutes 2024, sections 383C.07; and 383C.74, subdivisions 1, 2, 3, and
98.3 4, are repealed.

98.4 (b) Minnesota Statutes 2024, section 471.9998, is repealed.

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Article locations for S3045-1

ARTICLE 1 STATE GOVERNMENT AND ELECTIONS APPROPRIATIONS..... Page.Ln 2.2

ARTICLE 2 STATE GOVERNMENT POLICY..... Page.Ln 18.2

ARTICLE 3 STATE PERSONNEL MANAGEMENT..... Page.Ln 46.2

ARTICLE 4 LICENSING BOARDS..... Page.Ln 64.13

ARTICLE 5 MINNESOTA BUSINESS FILING FRAUD PREVENTION ACT..... Page.Ln 76.1

ARTICLE 6 BUSINESS FILING FEES..... Page.Ln 83.13

ARTICLE 7 LOCAL GOVERNMENT POLICY..... Page.Ln 89.15

16B.328 OUTDOOR LIGHTING FIXTURES MODEL ORDINANCE.

Subd. 2. **Model ordinance.** The commissioner of administration, in consultation with the commissioner of commerce, associations for local governments, and any other interested person, shall develop a model ordinance that can be adapted for use by cities, counties, and towns, governing outdoor lighting to reduce light pollution. The model ordinance must address:

- (1) standards for lighting on private property; outdoor advertising; lighting on commercial, industrial, or institutional property; canopies covering fueling stations; and public streets, sidewalks, and alleys;
- (2) how illumination levels should be measured;
- (3) possible exemptions, such as for temporary emergency or hazard lighting;
- (4) recommended elements for an exterior lighting plan for a development;
- (5) treatment of nonconforming lighting;
- (6) lighting standards that might apply in special subdistricts;
- (7) light pole maximum heights; and
- (8) light trespass.

16B.45 FUNCTION OF LEGISLATIVE AUDITOR.

The legislative auditor may conduct performance evaluations of all systems analysis, information services, and computerization efforts of agencies, the University of Minnesota, and metropolitan boards, agencies, and commissions. Upon request of the governing body or the state Information Systems Advisory Council, the legislative auditor shall conduct the same services for political subdivisions of the state and report the findings to the governor and the legislature. The cost of these evaluations must be paid by the agencies being evaluated.

16C.36 REORGANIZATION SERVICES UNDER MASTER CONTRACT.

The commissioner of administration must make available under a master contract program a list of eligible contractors who can assist state agencies in using data analytics to:

- (1) accomplish agency reorganization along service rather than functional lines in order to provide more efficient and effective service; and
- (2) bring about internal reorganization of management functions in order to flatten the organizational structure by requiring that decisions are made closer to the service needed, eliminating redundancies, and optimizing the span of control ratios to public and private sector industry benchmarks.

43A.315 STATE EMPLOYEE EFFICIENT USE OF HEALTH CARE INCENTIVE PROGRAM.

The commissioner of management and budget may develop and implement a program that creates an incentive for efficient use by state employees of State Employee Group Insurance Program (SEGIP). The program may reward employees covered by SEGIP as a group if per capita employee health care costs paid by SEGIP for a calendar year prove to be less than estimated by the commissioner prior to the beginning of the calendar year. The reward may consist of payments of one-half of the cost-savings into the employees' health reimbursement accounts, to be made no later than June 30 of the following calendar year.

43A.317 MINNESOTA EMPLOYEES INSURANCE PROGRAM.

Subdivision 1. **Intent.** The legislature finds that the creation of a statewide program to provide employers with the advantages of a large pool for insurance purchasing would advance the welfare of the citizens of the state.

Subd. 2. **Definitions.** (a) **Scope.** For the purposes of this section, the terms defined have the meaning given them.

(b) **Commissioner.** "Commissioner" means the commissioner of management and budget.

(c) **Eligible employee.** "Eligible employee" means an employee eligible to participate in the program under the terms described in subdivision 6.

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(d) **Eligible employer.** "Eligible employer" means an employer eligible to participate in the program under the terms described in subdivision 5.

(e) **Eligible individual.** "Eligible individual" means a person eligible to participate in the program under the terms described in subdivision 6.

(f) **Employee.** "Employee" means an employee of an eligible employer. "Employee" includes a sole proprietor, partner of a partnership, member of a limited liability company, or independent contractor.

(g) **Employer.** "Employer" means a private person, firm, corporation, partnership, limited liability company, association, or other entity actively engaged in business or public services. "Employer" includes both for-profit and nonprofit entities.

(h) **Program.** "Program" means the Minnesota employees insurance program created by this section.

Subd. 3. **Administration.** After consulting with the chairs of the senate Governmental Operations and Veterans Committee and the house of representatives Governmental Operations and Veterans Affairs Policy Committee, the commissioner may determine when the program provided under this section is available. When the commissioner makes the program available, the commissioner shall, consistent with the provisions of this section, administer the program and determine its coverage options, funding and premium arrangements, contractual arrangements, and all other matters necessary to administer the program. The commissioner's contracting authority for the program, including authority for competitive bidding and negotiations, is governed by section 43A.23.

Subd. 5. **Employer eligibility.** (a) **Procedures.** All employers are eligible for coverage through the program subject to the terms of this subdivision. The commissioner shall establish procedures for an employer to apply for coverage through the program.

(b) **Term.** The initial term of an employer's coverage may be for up to two years from the effective date of the employer's application. After that, coverage will be automatically renewed for an additional term unless the employer gives notice of withdrawal from the program according to procedures established by the commissioner or the commissioner gives notice to the employer of the discontinuance of the program. The commissioner may establish conditions under which an employer may withdraw from the program prior to the expiration of a term, including by reason of an increase in health coverage premiums of 50 percent or more from one insurance year to the next. An employer that withdraws from the program may not reapply for coverage for a period of time equal to its initial term of coverage.

(c) **Minnesota work force.** An employer is not eligible for coverage through the program if five percent or more of its eligible employees work primarily outside Minnesota, except that an employer may apply to the program on behalf of only those employees who work primarily in Minnesota.

(d) **Employee participation; aggregation of groups.** An employer is not eligible for coverage through the program unless its application includes all eligible employees who work primarily in Minnesota, except employees who waive coverage as permitted by subdivision 6. Private entities that are eligible to file a combined tax return for purposes of state tax laws are considered a single employer, except as otherwise approved by the commissioner.

(e) **Private employer.** A private employer is not eligible for coverage unless it has two or more eligible employees in the state of Minnesota. If an employer has only two eligible employees and one is the spouse, child, sibling, parent, or grandparent of the other, the employer must be a Minnesota-domiciled employer and have paid Social Security or self-employment tax on behalf of both eligible employees.

(f) **Minimum participation.** The commissioner must require as a condition of employer eligibility that at least 75 percent of its eligible employees who have not waived coverage participate in the program. The participation level of eligible employees must be determined at the initial offering of coverage and at the renewal date of coverage. For purposes of this section, waiver of coverage includes only waivers due to coverage under another group health benefit plan.

(g) **Employer contribution.** The commissioner must require as a condition of employer eligibility that the employer contribute at least 50 percent toward the cost of the premium of the employee and may require that the contribution toward the cost of coverage is structured in a way that promotes price competition among the coverage options available through the program.

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(h) **Enrollment cap.** The commissioner may limit employer enrollment in the program if necessary to avoid exceeding the program's reserve capacity.

Subd. 6. **Individual eligibility.** (a) **Procedures.** The commissioner shall establish procedures for eligible employees and other eligible individuals to apply for coverage through the program.

(b) **Employees.** An employer shall determine when it applies to the program the criteria its employees must meet to be eligible for coverage under its plan. An employer may subsequently change the criteria annually or at other times with approval of the commissioner. The criteria must provide that new employees become eligible for coverage after a probationary period of at least 30 days, but no more than 90 days.

(c) **Other individuals.** An employer may elect to cover under its plan:

(1) the spouse, dependent children to the limiting age as defined in section 62Q.01, subdivision 2a, disabled children to the extent required in sections 62A.14 and 62A.141, and dependent grandchildren to the extent required in sections 62A.042 and 62A.302;

(2) a retiree who is eligible to receive a pension or annuity from the employer and a covered retiree's spouse, dependent children to the limiting age as defined in section 62Q.01, subdivision 2a, disabled children to the extent required in sections 62A.14 and 62A.141, and dependent grandchildren to the extent required in sections 62A.042 and 62A.302;

(3) the surviving spouse, dependent children to the limiting age as defined in section 62Q.01, subdivision 2a, disabled children, and dependent grandchildren of a deceased employee or retiree, if the spouse, children, or grandchildren were covered at the time of the death;

(4) a covered employee who becomes disabled, as provided in sections 62A.147 and 62A.148;
or

(5) any other categories of individuals for whom group coverage is required by state or federal law.

An employer shall determine when it applies to the program the criteria individuals in these categories must meet to be eligible for coverage. An employer may subsequently change the criteria annually, or at other times with approval of the commissioner. The criteria for dependent children to the limiting age as defined in section 62Q.01, subdivision 2a, disabled children, and dependent grandchildren may be no more inclusive than the criteria under section 43A.18, subdivision 2. This paragraph shall not be interpreted as relieving the program from compliance with any federal and state continuation of coverage requirements.

(d) **Waiver and late entrance.** An eligible individual may waive coverage at the time the employer joins the program or when coverage first becomes available. The commissioner may establish a preexisting condition exclusion of not more than 18 months for late entrants as defined in section 62L.02, subdivision 19.

(e) **Continuation coverage.** The program shall provide all continuation coverage required by state and federal law.

Subd. 7. **Coverage.** Coverage is available through the program beginning on July 1, 1993. Until an arrangement is in place to provide coverage through a transfer of risk to one or more carriers regulated under chapter 62A, 62C, or 62D, the commissioner shall solicit bids under section 43A.23, from carriers regulated under chapters 62A, 62C, and 62D, to provide coverage of eligible individuals. The commissioner shall provide coverage through contracts with carriers, unless the commissioner receives no reasonable bids from carriers.

(a) **Health coverage.** Health coverage is available to all employers in the program. The commissioner shall attempt to establish health coverage options that have strong care management features to control costs and promote quality and shall attempt to make a choice of health coverage options available. Health coverage for a retiree who is eligible for the federal Medicare program must be administered as though the retiree is enrolled in Medicare parts A and B. To the extent feasible as determined by the commissioner and in the best interests of the program, the commissioner shall model coverage after the plan established in section 43A.18, subdivision 2. Health coverage must include at least the benefits required of a carrier regulated under chapter 62A, 62C, or 62D for comparable coverage. Coverage under this paragraph must not be provided as part of the health plans available to state employees.

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(b) **Optional coverages.** In addition to offering health coverage, the commissioner may arrange to offer dental coverage through the program. Employers with health coverage may choose to offer dental coverage according to the terms established by the commissioner.

(c) **Open enrollment.** The program must meet all underwriting requirements of chapter 62L and must provide periodic open enrollments for eligible individuals for those coverages where a choice exists.

(d) **Technical assistance.** The commissioner may arrange for technical assistance and referrals for eligible employers in areas such as health promotion and wellness, employee benefits structure, tax planning, and health care analysis services as described in section 62J.2930.

Subd. 8. **Premiums.** (a) **Payments.** Employers enrolled in the program shall pay premiums according to terms established by the commissioner. If an employer fails to make the required payments, the commissioner may cancel coverage and pursue other civil remedies.

(b) **Rating method.** The commissioner shall determine the premium rates and rating method for the program. The rating method for eligible small employers must meet or exceed the requirements of chapter 62L. The rating methods must recover in premiums all of the ongoing costs for state administration and for maintenance of a premium stability and claim fluctuation reserve. On June 30, 1999, after paying all necessary and reasonable expenses, the commissioner must apply up to \$2,075,000 of any remaining balance in the Minnesota employees' insurance trust fund to repayment of any amounts drawn or expended for this program from the health care access fund.

(c) **Taxes and assessments.** To the extent that the program operates as a self-insured group, the premiums paid to the program are not subject to the taxes imposed by chapter 297I, but the program is subject to a Minnesota Comprehensive Health Association assessment under section 62E.11.

Subd. 9. **Minnesota employees insurance trust fund.** (a) **Contents.** The Minnesota employees insurance trust fund in the state treasury consists of deposits received from eligible employers and individuals, contractual settlements or rebates relating to the program, investment income or losses, and direct appropriations.

(b) **Appropriation.** All money in the fund is appropriated to the commissioner to pay insurance premiums, approved claims, refunds, administrative costs, and other costs necessary to administer the program.

(c) **Reserves.** For any coverages for which the program does not contract to transfer full financial responsibility, the commissioner shall establish and maintain reserves:

(1) for claims in process, incomplete and unreported claims, premiums received but not yet earned, and all other accrued liabilities; and

(2) to ensure premium stability and the timely payment of claims in the event of adverse claims experience. The reserve for premium stability and claim fluctuations must be established according to the standards of section 62C.09, subdivision 3, except that the reserve may exceed the upper limit under this standard until July 1, 1997.

(d) **Investments.** The State Board of Investment shall invest the fund's assets according to section 11A.24. Investment income and losses attributable to the fund must be credited to the fund.

Subd. 10. **Program status.** The Minnesota employees insurance program is a state program to provide the advantages of a large pool to small employers for purchasing health coverage, other coverages, and related services from insurance companies, health maintenance organizations, and other organizations. The program is not an insurance company. Coverage under this program shall be considered a certificate of insurance or similar evidence of coverage and is subject to all applicable requirements of chapters 60A, 62A, 62C, 62E, 62H, 62L, and 72A, and is subject to regulation by the commissioner of commerce to the extent applicable.

Subd. 12. **Status of agents.** Notwithstanding sections 60K.49 and 72A.07, the program may use, and pay referral fees, commissions, or other compensation to, agents licensed as insurance producers under chapter 60K or licensed under section 62C.17, regardless of whether the agents are appointed to represent the particular health carriers or community integrated service networks that provide the coverage available through the program. When acting under this subdivision, an agent is not an agent of the health carrier or community integrated service network, with respect to that transaction.

43A.318 PUBLIC EMPLOYEES GROUP LONG-TERM CARE INSURANCE PROGRAM.

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

(b) **Eligible person.** "Eligible person" means:

(1) a person who is eligible for insurance and benefits under section 43A.24;

(2) a person who at the time of separation from employment was eligible to purchase coverage at personal expense under section 43A.27, subdivision 3, regardless of whether the person elected to purchase this coverage;

(3) a spouse of a person described in clause (1) or (2), regardless of the enrollment status in the program of the person described in clause (1) or (2); or

(4) a parent of a person described in clause (1), regardless of the enrollment status in the program of the person described in clause (1).

(c) **Program.** "Program" means the statewide public employees long-term care insurance program created under subdivision 2.

(d) **Qualified vendor.** "Qualified vendor" means an entity licensed or authorized to underwrite, provide, or administer group long-term care insurance benefits in this state.

Subd. 2. **Program creation; general provisions.** (a) The commissioner may administer a program to make long-term care coverage available to eligible persons. The commissioner may determine the program's funding arrangements, request bids from qualified vendors, and negotiate and enter into contracts with qualified vendors. Contracts are not subject to the requirements of section 16C.16 or 16C.19. Contracts must be for a uniform term of at least one year, but may be made automatically renewable from term to term in the absence of notice of termination by either party. The program may not be self-insured until the commissioner has completed an actuarial study of the program and reported the results of the study to the legislature and self-insurance has been specifically authorized by law.

(b) The program may provide coverage for home, community, and institutional long-term care and any other benefits as determined by the commissioner. Coverage is optional. The enrolled eligible person must pay the full cost of the coverage.

(c) The commissioner shall promote activities that attempt to raise awareness of the need for long-term care insurance among residents of the state and encourage the increased prevalence of long-term care coverage. These activities must include the sharing of knowledge gained in the development of the program.

(d) The commissioner may employ and contract with persons and other entities to perform the duties under this section and may determine their duties and compensation consistent with this chapter.

(e) The benefits provided under this section are not terms and conditions of employment as defined under section 179A.03, subdivision 19, and are not subject to collective bargaining.

(f) The commissioner shall establish underwriting criteria for entry of all eligible persons into the program. Eligible persons who would be immediately eligible for benefits may not enroll.

(g) Eligible persons who meet underwriting criteria may enroll in the program upon hiring and at other times established by the commissioner.

(h) An eligible person enrolled in the program may continue to participate in the program even if an event, such as termination of employment, changes the person's employment status.

(i) Participating public employee pension plans and public employers may provide automatic pension or payroll deduction for payment of long-term care insurance premiums to qualified vendors contracted with under this section.

(j) The premium charged to program enrollees must include an administrative fee to cover all program expenses incurred in addition to the cost of coverage. All fees collected are appropriated to the commissioner for the purpose of administering the program.

Subd. 4. **Long-term care insurance trust fund.** (a) The long-term care insurance trust fund in the state treasury consists of deposits of the premiums received from persons enrolled in the

program. All money in the fund is appropriated to the commissioner to pay premiums, claims, refunds, administrative costs, and other related service costs. The commissioner shall reserve an amount of money sufficient to cover the actuarially estimated costs of claims incurred but unpaid. The trust fund must be used solely for the purpose of the program.

(b) The State Board of Investment shall invest the money in the fund according to section 11A.24. Investment income and losses attributable to the fund must be credited to or deducted from the fund.

Subd. 5. **Private sources.** This section does not prohibit or limit individuals or local governments from purchasing long-term care insurance through other private sources.

211B.06 FALSE POLITICAL AND CAMPAIGN MATERIAL.

Subdivision 1. **Gross misdemeanor.** (a) A person is guilty of a gross misdemeanor who intentionally participates in the preparation, dissemination, or broadcast of paid political advertising or campaign material with respect to the personal or political character or acts of a candidate, or with respect to the effect of a ballot question, that is designed or tends to elect, injure, promote, or defeat a candidate for nomination or election to a public office or to promote or defeat a ballot question, that is false, and that the person knows is false or communicates to others with reckless disregard of whether it is false.

(b) A person is guilty of a misdemeanor who intentionally participates in the drafting of a letter to the editor with respect to the personal or political character or acts of a candidate, or with respect to the effect of a ballot question, that is designed or tends to elect, injure, promote, or defeat any candidate for nomination or election to a public office or to promote or defeat a ballot question, that is false, and that the person knows is false or communicates to others with reckless disregard of whether it is false.

Subd. 2. **Exception.** Subdivision 1 does not apply to any person or organization whose sole act is, in the normal course of their business, the printing, manufacturing, or dissemination of the false information.

211B.08 SOLICITATION OF CONTRIBUTIONS PROHIBITED.

A religious, charitable, or educational organization may not request a candidate or committee to contribute to the organization, to subscribe for the support of a club or organization, to buy tickets to entertainment, or to pay for space in a publication. This section does not apply to:

(1) the solicitation of a business advertisement in periodicals in which the candidate was a regular contributor, before candidacy;

(2) ordinary business advertisements;

(3) regular payments to a religious, charitable, or educational organization, of which the candidate was a member, or to which the candidate was a contributor for more than six months before candidacy; or

(4) ordinary contributions at church services.

383C.07 MEMBERS OF BOARDS AND COMMISSIONS; TERMS OF OFFICE.

Notwithstanding the provisions of any law to the contrary, in St. Louis County every lay member hereafter appointed by the county board to any board or commission heretofore or hereafter created by law, shall be appointed for a term of three years.

383C.74 HISTORICAL WORK.

Subdivision 1. **Appropriation.** The St. Louis County Board may appropriate from the treasury of the county a sum not to exceed \$2,500 each year for the promotion of historical work within its borders.

Subd. 2. **Minnesota State Historical Society.** Said sum shall be so appropriated for the use of a historical society organized in said county and devoted to the collection, preservation and publication of historical material, the dissemination of historical information and in general carrying on historical work, said society to be designated by the Minnesota State Historical Society.

Subd. 3. **Purpose of appropriation.** The work of said historical society shall be done in the county making such appropriation and in reference to the history of said county and all facts relevant thereto.

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Subd. 4. **Money to remain in county treasury.** The money appropriated as aforesaid shall remain in the treasury of the county and be paid out in payment of expense incurred by said county historical society for the purposes above indicated on verified bills approved by said local society according to its rules, in the same way that county bills are paid. Said appropriation shall be available for expense occurring in any year although not paid until the succeeding year. Any unused portion of any appropriation for any year shall revert to the funds of the county. Said appropriation shall be effective only for the year in which it is made.

471.9998 MERCHANT BAGS.

Subdivision 1. **Merchant option.** All merchants, itinerant vendors, and peddlers doing business in this state shall have the option to provide customers a paper, plastic, or reusable bag for the packaging of any item or good purchased, provided such purchase is of a size and manner commensurate with the use of paper, plastic, or reusable bags.

Subd. 2. **Prohibition; bag ban.** Notwithstanding any other provision of law, no political subdivision shall impose any ban upon the use of paper, plastic, or reusable bags for packaging of any item or good purchased from a merchant, itinerant vendor, or peddler.

Laws 2024, chapter 120, article 3, section 2

Sec. 2. Minnesota Statutes 2023 Supplement, section 155A.2705, subdivision 3, is amended to read:

Subd. 3. **Training.** Hair technician training must be completed at a Minnesota-licensed cosmetology school. The training must consist of 900 hours of coursework and planned clinical instruction and experience that includes:

(1) the first 300 hours of the hair technology course that includes:

(i) student orientation;

(ii) preclinical instruction in the theory of sciences, including:

(A) muscle and bone structure and function;

(B) properties of the hair, a study of all hair types and textures, including coil, curl, or wave patterns, hair strand thicknesses, and volumes of hair, and scalp;

(C) disorders and diseases of the hair and scalp;

(D) chemistry as related to hair technology; and

(E) electricity and light related to the practice of hair technology;

(iii) theory and preclinical instruction on client and service safety prior to students offering services;

(iv) introductory service skills that are limited to the observation of an instructor demonstration, student use of mannequins, or student-to-student application of basic services related to hair technology;

(v) Minnesota statutes and rules pertaining to the regulation of hair technology;

(vi) health and safety instruction that includes:

(A) chemical safety;

(B) safety data sheets;

(C) personal protective equipment (PPE);

(D) hazardous substances; and

(E) laws and regulations related to health and public safety; and

(vii) infection control to protect the health and safety of the public and technician that includes:

(A) disinfectants;

(B) disinfectant procedures;

(C) cleaning and disinfection;

(D) single use items;

(E) storage of tools, implements, and linens; and

(F) other implements and equipment used in salons and schools;

(2) 300 hours in hair cutting and styling that includes hair and scalp analysis; providing services to individuals who have all hair types and textures, including coil, curl, or wave patterns, hair strand thicknesses, and volumes of hair; cleaning; scalp and hair conditioning; hair design and shaping; drying; arranging; curling; dressing; waving; and nonchemical straightening; and

(3) 300 hours in chemical hair services that includes hair and scalp analysis; providing services to individuals with all hair types and textures, including coil, curl, or wave patterns, hair strand thicknesses, and volumes of hair; dying; bleaching; reactive chemicals; keratin; hair coloring; permanent straightening; permanent waving; predisposition and strand tests; safety precautions; chemical mixing; color formulation; and the use of dye removers.

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

1105.7900 SUBSTANTIAL EQUIVALENCY.

D. Individuals required by Minnesota Statutes, section 326A.14, subdivision 1, paragraph (b), to obtain a verification that their individual qualifications are substantially equivalent to the licensure requirements of Minnesota Statutes, section 326A.03, subdivisions 3, 4, and 6, shall obtain the verification from the NASBA National Qualification Appraisal Service prior to rendering professional services in this state. Documentation supporting this verification must be maintained by the individual for a minimum period of six years and must be submitted to the board upon request.