

- 1.1 Senator moves to amend S.F. No. 73 as follows:
- 1.2 Page 12, after line 23, insert:
- 1.3 "Subd. 60a. **Propagule.** "Propagule" means seeds, clones, transplants, and any other
- 1.4 propagative industrial hemp material."
- 1.5 Page 23, line 31, before the semicolon, insert "to include but not limited to
- 1.6 recommendations to streamline licensing systems and related administrative processes"
- 1.7 Page 50, line 17, delete "ADULT-USE"
- 1.8 Page 52, delete line 3
- 1.9 Page 52, line 4, delete "(5)" and insert "(4)"
- 1.10 Page 52, delete lines 6 and 7
- 1.11 Page 52, line 8, delete "(7)" and insert "(5)"
- 1.12 Page 52, line 10, delete "(8)" and insert "(6)"
- 1.13 Page 52, line 12, delete "(9)" and insert "(7)"
- 1.14 Page 52, line 13, delete "(10)" and insert "(8)"
- 1.15 Page 52, line 14, delete "(11)" and insert "(9)"
- 1.16 Page 52, line 16, delete "(12)" and insert "(10)"
- 1.17 Page 52, line 18, delete "(13)" and insert "(11)"
- 1.18 Page 52, line 19, delete "(14)" and insert "(12)"
- 1.19 Page 52, line 21, delete "(15)" and insert "(13)"
- 1.20 Page 63, line 9, before "a" insert "or" and delete the fourth comma and insert a semicolon
- 1.21 Page 63, delete line 10, and insert:
- 1.22 "(2) purchase hemp plant parts and propagules from an industrial hemp grower licensed
- 1.23 under chapter 18K;
- 1.24 (3) purchase hemp concentrate from an industrial hemp processor licensed under chapter
- 1.25 18K;"
- 1.26 Page 63, line 11, delete "(2)" and insert "(4)"
- 1.27 Page 63, line 14, delete "(3)" and insert "(5)"
- 1.28 Page 63, line 15, delete "(4)" and insert "(6)"

- 2.1 Page 63, line 17, delete "(5)" and insert "(7)"
- 2.2 Page 63, line 18, delete "(6)" and insert "(8)"
- 2.3 Page 63, line 20, delete "(7)" and insert "(9)"
- 2.4 Page 63, line 22, delete "(8)" and insert "(10)"
- 2.5 Page 63, line 25, delete "(9)" and insert "(11)"
- 2.6 Page 69, line 11, delete "A" and insert "An adult-use"
- 2.7 Page 69, after line 16, insert:
- 2.8 "(2) purchase lower-potency hemp edibles from a licensed lower-potency hemp edible
- 2.9 manufacturer;"
- 2.10 Page 69, line 17, delete "(2)" and insert "(3)"
- 2.11 Page 69, line 20, delete "(3)" and insert "(4)"
- 2.12 Page 71, line 25, delete everything before "may" and delete "ten" and insert "20"
- 2.13 Page 71, line 26, delete "100" and insert "200"
- 2.14 Page 71, line 27, delete "ten" and insert "20"
- 2.15 Page 71, after line 29, insert:
- 2.16 "(e) Edible cannabis products and hemp-derived consumer products intended to be
- 2.17 consumed as a beverage may not include more than 20 milligrams of tetrahydrocannabinol
- 2.18 per serving. A single beverage container may not contain more than two servings."
- 2.19 Page 72, line 23, after the second comma, insert "a United States territory,"
- 2.20 Page 76, line 16, after "parts" insert "and propagules" and after "grower" insert "licensed
- 2.21 under chapter 18K"
- 2.22 Page 76, after line 16, insert:
- 2.23 "(8) purchase hemp concentrate from an industrial hemp processor licensed under chapter
- 2.24 18K;"
- 2.25 Page 76, line 17, delete "(8)" and insert "(9)"
- 2.26 Page 76, line 21, delete "(9)" and insert "(10)"
- 2.27 Page 76, line 23, delete "(10)" and insert "(11)"
- 2.28 Page 76, line 26, delete "(11)" and insert "(12)"

- 3.1 Page 76, line 28, delete "(12)" and insert "(13)"
- 3.2 Page 80, line 8, after "parts" insert "and propagules" and after "growers" insert "licensed
3.3 under chapter 18K"
- 3.4 Page 80, after line 8, insert:
- 3.5 "(3) purchase hemp concentrate from an industrial hemp processor licensed under chapter
3.6 18K;"
- 3.7 Page 80, line 9, delete "(3)" and insert "(4)"
- 3.8 Page 80, line 12, delete "(4)" and insert "(5)"
- 3.9 Page 80, line 13, delete "(5)" and insert "(6)"
- 3.10 Page 80, line 16, delete "(6)" and insert "(7)"
- 3.11 Page 81, line 25, after "parts" insert "and propagules" and after "grower" insert "licensed
3.12 under chapter 18K"
- 3.13 Page 81, after line 25, insert:
- 3.14 "(9) purchase hemp concentrate from an industrial hemp processor licensed under chapter
3.15 18K;"
- 3.16 Page 81, line 26, delete "(9)" and insert "(10)"
- 3.17 Page 81, line 28, delete "(10)" and insert "(11)"
- 3.18 Page 81, line 31, delete "(11)" and insert "(12)"
- 3.19 Page 97, line 26, delete everything after the period
- 3.20 Page 97, line 27, delete "beverage or" and insert "If"
- 3.21 Page 97, line 29, after the period, insert "If the lower-potency hemp edible is meant to
3.22 be consumed as a beverage, the beverage container may not contain more than two servings
3.23 per container."
- 3.24 Page 99, after line 8, insert:
- 3.25 "Subd. 7. **Importation of lower-potency hemp edibles.** (a) A lower-potency hemp
3.26 edible retailer may import lower-potency hemp edibles that are manufactured outside the
3.27 boundaries of the state of Minnesota if it has a lower-potency hemp edible importer
3.28 endorsement from the office.
- 3.29 "(b) A lower-potency hemp edible retailer may sell products manufactured outside the
3.30 boundaries of the state of Minnesota if:

4.1 (1) the manufacturer is licensed in another jurisdiction and subject to regulations designed
4.2 to protect the health and safety of consumers that the office determines are substantially
4.3 similar to the regulations in this state; or

4.4 (2) the lower-potency hemp retailer establishes, to the satisfaction of the office, that the
4.5 manufacturer engages in practices that are substantially similar to the practices required for
4.6 licensure of manufacturers in this state.

4.7 (c) The lower-potency hemp retailer must enter all relevant information regarding an
4.8 imported lower-potency hemp edible into the statewide monitoring system before the product
4.9 may be distributed. Relevant information includes information regarding the cultivation,
4.10 processing, and testing of the industrial hemp used in the manufacture of the lower-potency
4.11 hemp edible. If information regarding the industrial hemp or lower-potency hemp edible
4.12 was submitted to a statewide monitoring system used in another state, the office may require
4.13 submission of any information provided to that statewide monitoring system and shall assist
4.14 in the transfer of data from another state as needed and in compliance with any data
4.15 classification established by either state.

4.16 (d) The office may suspend, revoke, or cancel the endorsement of a distributor who is
4.17 prohibited from distributing products containing cannabinoids in any other jurisdiction,
4.18 convicted of an offense involving the distribution of products containing cannabinoids in
4.19 any other jurisdiction, or found liable for distributing any product that injured customers in
4.20 any other jurisdiction. A lower-potency hemp edible retailer shall disclose all relevant
4.21 information related to actions in another jurisdiction. Failure to disclose relevant information
4.22 may result in disciplinary action by the office, including the suspension, revocation, or
4.23 cancellation of an endorsement or license.

4.24 (e) Notwithstanding any law to the contrary, it shall not be a defense in any civil or
4.25 criminal action that a licensed lower-potency hemp edible retailer relied on information on
4.26 a product label or otherwise provided by a manufacturer who is not licensed in this state."

4.27 Renumber the subdivisions in sequence

4.28 Page 104, line 13, after "parts" insert "and propagules" and after "growers" insert "licensed
4.29 under chapter 18K"

4.30 Page 104, after line 13, insert:

4.31 "(3) purchase hemp concentrate from an industrial hemp processor licensed under chapter
4.32 18K;"

4.33 Page 104, line 14, delete "(3)" and insert "(4)"

5.1 Page 104, line 15, delete "(4)" and insert "(5)"

5.2 Page 104, line 16, delete "(5)" and insert "(6)"

5.3 Page 104, line 17, delete "(6)" and insert "(7)"

5.4 Page 104, line 18, delete "(7)" and insert "(8)"

5.5 Page 104, line 20, delete "(8)" and insert "(9)"

5.6 Page 140, delete lines 24 to 33 and insert:

5.7 "(1) at least 75 percent of the money is for grants for substance use disorder and mental
5.8 health recovery and prevention programs. Funds must be used for recovery and prevention
5.9 activities and supplies that assist individuals and families to initiate, stabilize, and maintain
5.10 long-term recovery from substance use disorders and co-occurring mental health conditions.
5.11 Recovery and prevention activities may include: prevention education, school-linked
5.12 behavioral health, school-based peer programs, peer supports, self-care and wellness,
5.13 culturally specific healing, community public awareness, mutual aid networks, telephone
5.14 recovery checkups, mental health warm lines, harm reduction, recovery community
5.15 organization development, first episode psychosis programs, and recovery housing; and

5.16 (2) up to 25 percent of the money is for substance use disorder treatment programs as
5.17 defined in chapter 245G and may be used to implement, strengthen, or expand supportive
5.18 services and activities that are not covered by Medical Assistance under chapter 256B,
5.19 MinnesotaCare under chapter 256L, or the Behavioral Health fund under chapter 245B.
5.20 Services and activities may include: adoption or expansion of evidence-based practices;
5.21 competency-based training; continuing education; culturally specific and culturally responsive
5.22 services; sober recreational activities; developing referral relationships; family preservation
5.23 and healing; and start-up or capacity funding for programs that specialize in adolescent,
5.24 culturally specific, culturally responsive, disability-specific, co-occurring disorder, or family
5.25 treatment services."

5.26 Page 141, delete lines 1 to 4

5.27 Page 141, line 5, after "with" insert "the Governor's Advisory Council on Opioids,
5.28 Substance Use, and Addiction;" and after "services" insert a semicolon

5.29 Page 145, line 21, delete "or" and insert a comma

5.30 Page 145, line 22, after "microbusiness" and insert ", licensed cannabis mezzobusiness,
5.31 or licensed lower-potency hemp edible retailer"

6.1 Page 145, line 31, delete "or" and insert a comma and after "product" insert ","
6.2 synthetically derived cannabinoids, lower-potency hemp edibles and hemp-derived consumer
6.3 products"

6.4 Page 146, line 7, delete the second "or" and insert a comma and after "products" insert
6.5 "," synthetically derived cannabinoids, lower-potency hemp edibles and hemp-derived
6.6 consumer products"

6.7 Page 146, line 10, delete "or" and insert a comma and after "products" insert ","
6.8 synthetically derived cannabinoids, lower-potency hemp edibles and hemp-derived consumer
6.9 products"

6.10 Page 146, after line 10, insert:

6.11 "**EFFECTIVE DATE.** This section is effective March 1, 2024."

6.12 Page 179, line 14, delete "\$......" and insert "up to \$20,000"

6.13 Page 213, after line 19, insert:

6.14 "Sec. 5. Minnesota Statutes 2022, section 18K.02, subdivision 3, is amended to read:

6.15 Subd. 3. **Industrial hemp.** "Industrial hemp" means the plant *Cannabis sativa* L. and
6.16 any part of the plant, whether growing or not, including the plant's seeds, and all the plant's
6.17 derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether
6.18 growing or not, with a delta-9 tetrahydrocannabinol concentration of not more than 0.3
6.19 percent on a dry weight basis. Industrial hemp is not a cannabis plant as defined in section
6.20 342.01, subdivision 18, or marijuana as defined in section 152.01, subdivision 9.

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

6.22 Sec. 6. Minnesota Statutes 2022, section 18K.02, subdivision 5, is amended to read:

6.23 Subd. 5. **Processing.** "Processing" means rendering by refinement hemp plants or hemp
6.24 plant parts from their natural or original state after harvest. Processing includes but is not
6.25 limited to decortication, devitalization, chopping, crushing, extraction, and packaging.
6.26 Processing does not include typical farm operations such as sorting, grading, baling, and
6.27 harvesting. Processing does not include the production of synthetically derived cannabinoid
6.28 as defined in section 342.01, subdivision 67.

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

7.1 Sec. 7. Minnesota Statutes 2022, section 18K.03, subdivision 2, is amended to read:

7.2 Subd. 2. **Sale to ~~medical cannabis manufacturers~~ businesses and hemp businesses.** A
7.3 licensee under this chapter may sell hemp products derived from industrial hemp grown in
7.4 this state to ~~medical cannabis manufacturers as authorized under sections 152.22 to 152.37~~
7.5 a cannabis business or hemp business licensed under chapter 342.

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

7.7 Page 217, after line 30, insert:

7.8 "Sec. 15. Minnesota Statutes 2022, section 152.01, subdivision 9, is amended to read:

7.9 Subd. 9. **Marijuana.** "Marijuana" means all parts of the plant of any species of the genus
7.10 Cannabis, including all agronomical varieties, whether growing or not; the seeds thereof;
7.11 the resin extracted from any part of such plant; and every compound, manufacture, salt,
7.12 derivative, mixture, or preparation of such plant, its seeds or resin, but shall not include the
7.13 mature stalks of such plant, fiber from such stalks, oil or cake made from the seeds of such
7.14 plant, any other compound, manufacture, salt, derivative, mixture, or preparation of such
7.15 mature stalks, except the resin extracted therefrom, fiber, oil, or cake, or the sterilized seed
7.16 of such plant which is incapable of germination. Marijuana does not include hemp as defined
7.17 in section ~~152.22, subdivision 5a~~ 18K.02, subdivision 3."

7.18 Page 235, after line 2, insert:

7.19 "Sec. 41. Minnesota Statutes 2022, section 340A.402, subdivision 1, is amended to read:

7.20 Subdivision 1. **Disqualifiers.** No retail license may be issued to:

7.21 (1) a person under 21 years of age;

7.22 (2) a person who has had an intoxicating liquor or 3.2 percent malt liquor license revoked
7.23 within five years of the license application, or to any person who at the time of the violation
7.24 owns any interest, whether as a holder of more than five percent of the capital stock of a
7.25 corporation licensee, as a partner or otherwise, in the premises or in the business conducted
7.26 thereon, or to a corporation, partnership, association, enterprise, business, or firm in which
7.27 any such person is in any manner interested;

7.28 (3) a person not of good moral character and repute; ~~or~~

7.29 (4) a person who:

7.30 (i) has had a license or registration issued pursuant to chapter 342 or section 151.72,
7.31 subdivision 5b revoked;

- 8.1 (ii) has been convicted of an offense under section 151.72, subdivision 7; or
- 8.2 (iii) has been convicted under any other statute for the illegal sale of marijuana, cannabis
- 8.3 flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products,
- 8.4 or edible cannabinoid products and the sale took place on the premises of a business that
- 8.5 sells intoxicating liquor or 3.2 percent malt liquor to customers; or
- 8.6 ~~(4)~~ (5) a person who has a direct or indirect interest in a manufacturer, brewer, or
- 8.7 wholesaler.

8.8 In addition, no new retail license may be issued to, and the governing body of a

8.9 municipality may refuse to renew the license of, a person who, within five years of the

8.10 license application, has been convicted of a felony or a willful violation of a federal or state

8.11 law or local ordinance governing the manufacture, sale, distribution, or possession for sale

8.12 or distribution of an alcoholic beverage. The Alcohol and Gambling Enforcement Division

8.13 or licensing authority may require that fingerprints be taken and forwarded to the Federal

8.14 Bureau of Investigation for purposes of a criminal history check."

8.15 Page 236, after line 16, insert:

8.16 "Sec. 44. Minnesota Statutes 2022, section 461.12, is amended by adding a subdivision

8.17 to read:

8.18 Subd. 2a. Penalties for sales of certain products; licensees. (a) A licensee's authority

8.19 to sell tobacco, tobacco-related devices, electronic delivery devices, or nicotine or lobelia

8.20 delivery products at that location must be suspended for not less than seven days and may

8.21 be revoked if the licensee:

8.22 (1) holds a license or registration issued pursuant to chapter 342 or section 151.72,

8.23 subdivision 5b, and the license or registration is revoked;

8.24 (2) is convicted of an offense under section 151.72, subdivision 7; or

8.25 (3) has been convicted under any other statute for the illegal sale of marijuana, cannabis

8.26 flower, cannabis products, lower-potency hemp edibles, hemp-derived consumer products,

8.27 or edible cannabinoid products and the sale took place on the premises of a business that

8.28 sells tobacco, tobacco-related devices, electronic delivery devices, or nicotine or lobelia

8.29 delivery products.

8.30 (b) No suspension, revocation, or other penalty may take effect until the licensee has

8.31 received notice, served personally or by mail, of the alleged violation and an opportunity

9.1 for a hearing before a person authorized by the licensing authority to conduct the hearing.
9.2 A decision that a violation has occurred must be in writing."

9.3 Page 245, after line 26, insert:

9.4 "Sec. 61. **HIGH INTENSITY DRUG TRAFFICKING AREA REPORT.**

9.5 The commissioner of public safety, working in conjunction with Hennepin County, must
9.6 produce a statewide baseline high intensity drug trafficking area report on marijuana. The
9.7 report must include information on past and present marijuana use in Minnesota; potency
9.8 of marijuana; impacts of marijuana use on public health, emergency room admissions, traffic
9.9 accidents, impaired driving citations, workforce, and schools; marijuana crimes and the
9.10 juvenile justice system; marijuana's influence on the opioid epidemic; and the illicit market
9.11 for marijuana. The report must be submitted to the chairs and ranking minority members
9.12 of the house of representatives and senate committees with jurisdiction over public safety,
9.13 health, education policy, labor, and transportation by February 1, 2024."

9.14 Page 246, line 11, after "sections" insert "18K.08;"

9.15 Page 246, line 14, delete "July" and insert "March"

9.16 Page 246, delete section 2

9.17 Page 248, line 32, strike "or"

9.18 Page 249, after line 1, insert:

9.19 "(3) to be consumed by combustion or vaporization of the product and inhalation of
9.20 smoke, aerosol, or vapor from the product; or

9.21 (4) to be consumed through injection or application to a mucous membrane or nonintact
9.22 skin."

9.23 Page 249, after line 5, insert:

9.24 ""(e) Products may be sold for on-site consumption provided that all of the following
9.25 conditions are met:

9.26 (1) the retailer must also hold an on-sale license issued under chapter 340A;

9.27 (2) products must be served in their original packaging, but may be removed from the
9.28 product's packaging by customers and consumed on-site;

9.29 (3) products must not be sold to a customer who the retailer knows or reasonably should
9.30 know is intoxicated;

10.1 (4) products must not be permitted to be mixed with an alcoholic beverage; and

10.2 (5) products that have been removed from their packaging must not be removed from
10.3 the premises."

10.4 Page 251, line 21, after the period, insert "If the edible cannabinoid product is meant to
10.5 be consumed as a beverage, the beverage container may not contain more than two servings
10.6 per container."

10.7 Page 252, line 9, delete "apply for registration" and insert "register"

10.8 Page 252, line 12, delete everything after "The" and insert "registration form must include
10.9 an attestation of compliance attesting to the registrant's compliance with all applicable state
10.10 and local requirements."

10.11 Page 252, delete lines 13 and 14

10.12 Page 252, delete lines 16 to 22

10.13 Page 252, line 23, after "sale" insert "or providing a free sample"

10.14 Page 252, line 26, after the second comma, insert "a United States territory,"

10.15 Page 254, line 9, after "with" insert "the Department of Agriculture and"

10.16 Page 254, after line 31, insert:

10.17 "Subd. 8. **Civil actions.** (a) A spouse, child, parent, guardian, employer, or other person
10.18 injured in person, property, or means of support or who incurs other pecuniary loss by an
10.19 intoxicated person or by the intoxication of another person has a right of action in the person's
10.20 own name for all damages sustained against a person who caused the intoxication of that
10.21 person by illegally selling any product governed by section 151.72. All damages recovered
10.22 by a minor under this section must be paid either to the minor or to the minor's parent,
10.23 guardian, or next friend as the court directs.

10.24 (b) All suits for damages under this section must be by a civil action in a court of this
10.25 state having jurisdiction.

10.26 (c) Actions under this subdivision are governed by section 604.01.

10.27 (d) It is a defense for the defendant to prove by a preponderance of the evidence that the
10.28 defendant reasonably and in good faith relied upon representations of proof of age in selling,
10.29 bartering, furnishing, or giving the product governed by section 151.72.

11.1 (e) Nothing in this section precludes common law tort claims against any person 21
 11.2 years or older who knowingly provides or furnishes any product governed by section 151.72
 11.3 to a person under the age of 21 years."

11.4 Page 263, after line 5, insert:

11.5 "Sec. 17. **OFFICE OF CANNABIS MANAGEMENT IMPLEMENTATION.**

11.6 (a) The commissioner of agriculture may exercise all authorities and responsibilities
 11.7 granted to the Office of Cannabis Management under Minnesota Statutes, chapter 342, that
 11.8 are necessary to establish the Office of Cannabis Management and transition programs,
 11.9 authorities, and responsibilities to it.

11.10 (b) On or after January 1, 2024, and at such time the office is able to fulfill the powers
 11.11 and duties enumerated in Minnesota Statutes, section 342.02, subdivision 2, the commissioner
 11.12 of agriculture may transfer all or some chapter 342 programs, authorities, and responsibilities
 11.13 to the Office of Cannabis Management. Upon such transfer, existing contracts, obligations,
 11.14 and funds managed by the commissioner of agriculture that are necessary to administer the
 11.15 transferred programs, authorities, or responsibilities shall be transferred to the Office of
 11.16 Cannabis Management.

11.17 (c) To the extent necessary to establish the Office of Cannabis Management and fulfill
 11.18 the powers and duties enumerated in Minnesota Statutes, section 342.02, the commissioner
 11.19 of agriculture and the Office of Cannabis Management are exempt from the requirements
 11.20 of Minnesota Statutes, section 16A.15, subdivision 3; chapter 16C; and any other state
 11.21 procurement laws, rules, and procedures until July 1, 2025."

11.22 Page 289, after line 15, insert:

11.23 **"ARTICLE 10**
 11.24 **GRANTS MANAGEMENT**

11.25 Section 1. **FINANCIAL REVIEW OF GRANT AND BUSINESS SUBSIDY**
 11.26 **RECIPIENTS.**

11.27 Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the
 11.28 meanings given.

11.29 (b) "Grant" means a grant or business subsidy funded by an appropriation in this act.

11.30 (c) "Grantee" means a business entity as defined in Minnesota Statutes, section 5.001.

12.1 Subd. 2. **Financial information required; determination of ability to perform.** Before
12.2 an agency awards a competitive, legislatively-named, single source, or sole source grant,
12.3 the agency must assess the risk that a grantee cannot or would not perform the required
12.4 duties. In making this assessment, the agency must review the following information:

12.5 (1) the grantee's history of performing duties similar to those required by the grant,
12.6 whether the size of the grant requires the grantee to perform services at a significantly
12.7 increased scale, and whether the size of the grant will require significant changes to the
12.8 operation of the grantee's organization;

12.9 (2) for a grantee that is a nonprofit organization, the grantee's Form 990 or Form 990-EZ
12.10 filed with the Internal Revenue Service in each of the prior three years. If the grantee has
12.11 not been in existence long enough or is not required to file Form 990 or Form 990-EZ, the
12.12 grantee must demonstrate to the grantor's satisfaction that the grantee is exempt and must
12.13 instead submit the grantee's most recent board-reviewed financial statements and
12.14 documentation of internal controls;

12.15 (3) for a for-profit business, three years of federal and state tax returns, current financial
12.16 statements, certification that the business is not under bankruptcy proceedings, and disclosure
12.17 of any liens on its assets. If a business has not been in business long enough to have three
12.18 years of tax returns, the grantee must demonstrate to the grantor's satisfaction that the grantee
12.19 has appropriate internal financial controls;

12.20 (4) evidence of registration and good standing with the secretary of state under Minnesota
12.21 Statutes, chapter 317A, or other applicable law;

12.22 (5) if the grantee's total annual revenue exceeds \$750,000, the grantee's most recent
12.23 financial audit performed by an independent third party in accordance with generally accepted
12.24 accounting principles; and

12.25 (6) certification, provided by the grantee, that none of its principals have been convicted
12.26 of a financial crime.

12.27 Subd. 3. **Additional measures for some grantees.** The agency may require additional
12.28 information and must provide enhanced oversight for grants that have not previously received
12.29 state or federal grants for similar amounts or similar duties and so have not yet demonstrated
12.30 the ability to perform the duties required under the grant on the scale required.

12.31 Subd. 4. **Assistance from administration.** An agency without adequate resources or
12.32 experience to perform obligations under this section may contract with the commissioner
12.33 of administration to perform the agency's duties under this section.

13.1 Subd. 5. Agency authority to not award grant. If an agency determines that there is
13.2 an appreciable risk that a grantee receiving a competitive, single source, or sole source grant
13.3 cannot or would not perform the required duties under the grant agreement, the agency must
13.4 notify the grantee and the commissioner of administration and give the grantee an opportunity
13.5 to respond to the agency's concerns. If the grantee does not satisfy the agency's concerns
13.6 within 45 days, the agency must not award the grant.

13.7 Subd. 6. Legislatively-named grantees. If an agency determines that there is an
13.8 appreciable risk that a grantee receiving a legislatively-named grant cannot or would not
13.9 perform the required duties under the grant agreement, the agency must notify the grantee,
13.10 the commissioner of administration, and the chair and ranking minority members of Ways
13.11 and Means Committee in the house of representatives, the chairs and ranking minority
13.12 members of the Finance Committee in the senate, and the chairs and ranking minority
13.13 members of the committees in the house of representatives and the senate with primary
13.14 jurisdiction over the bill in which the money for the grant was appropriated. The agency
13.15 must give the grantee an opportunity to respond to the agency's concerns. If the grantee
13.16 does not satisfy the agency's concerns within 45 days, the agency must delay award of the
13.17 grant until adjournment of the next regular or special legislative session.

13.18 Subd. 7. Subgrants. If a grantee will disburse the money received from the grant to
13.19 other organizations to perform duties required under the grant agreement, the agency must
13.20 be a party to agreements between the grantee and a subgrantee. Before entering agreements
13.21 for subgrants, the agency must perform the financial review required under this section with
13.22 respect to the subgrantees.

13.23 Subd. 8. Effect. The requirements of this section are in addition to other requirements
13.24 imposed by law, the commissioner of administration under Minnesota Statutes, sections
13.25 16B.97 to 16B.98, or agency grant policy."

13.26 Renumber the sections in sequence and correct the internal references

13.27 Amend the title accordingly