

ADOPTED

1.1 Senator moves to amend the Wiklund amendment (SCS4699A-2) to S.F.
1.2 No. 4699 as follows:

1.3 Page 15, delete section 1 and insert:

1.4 "Section 1. Minnesota Statutes 2023 Supplement, section 256.0471, subdivision 1, as
1.5 amended by Laws 2024, chapter 80, article 1, section 76, is amended to read:

1.6 Subdivision 1. **Qualifying overpayment.** Any overpayment for state-funded medical
1.7 assistance under chapter 256B and state-funded MinnesotaCare under chapter 256L granted
1.8 pursuant to section 256.045, subdivision 10; ~~chapter 256B for state-funded medical~~
1.9 ~~assistance~~; and chapters 256D, 256I, 256K, and 256L for state-funded MinnesotaCare except
1.10 agency error claims, become a judgment by operation of law 90 days after the notice of
1.11 overpayment is personally served upon the recipient in a manner that is sufficient under
1.12 rule 4.03(a) of the Rules of Civil Procedure for district courts, or by certified mail, return
1.13 receipt requested. This judgment shall be entitled to full faith and credit in this and any
1.14 other state.

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

1.16 Page 28, delete section 14 and insert:

1.17 "Sec. 14. Minnesota Statutes 2022, section 524.3-801, as amended by Laws 2024, chapter
1.18 79, article 9, section 20, is amended to read:

1.19 **524.3-801 NOTICE TO CREDITORS.**

1.20 (a) Unless notice has already been given under this section, upon appointment of a
1.21 general personal representative in informal proceedings or upon the filing of a petition for
1.22 formal appointment of a general personal representative, notice thereof, in the form prescribed
1.23 by court rule, shall be given under the direction of the court administrator by publication
1.24 once a week for two successive weeks in a legal newspaper in the county wherein the
1.25 proceedings are pending giving the name and address of the general personal representative
1.26 and notifying creditors of the estate to present their claims within four months after the date
1.27 of the court administrator's notice which is subsequently published or be forever barred,
1.28 unless they are entitled to further service of notice under paragraph (b) or (c).

1.29 (b) The personal representative shall, within three months after the date of the first
1.30 publication of the notice, serve a copy of the notice upon each then known and identified
1.31 creditor in the manner provided in paragraph (c). If the decedent or a predeceased spouse
1.32 of the decedent received assistance for which a claim could be filed under section 246.53,

256B.15, 256D.16, or 261.04, notice to the commissioner of human services or direct care and treatment executive board, as applicable, must be given under paragraph (d) instead of under this paragraph or paragraph (c). A creditor is "known" if: (i) the personal representative knows that the creditor has asserted a claim that arose during the decedent's life against either the decedent or the decedent's estate; (ii) the creditor has asserted a claim that arose during the decedent's life and the fact is clearly disclosed in accessible financial records known and available to the personal representative; or (iii) the claim of the creditor would be revealed by a reasonably diligent search for creditors of the decedent in accessible financial records known and available to the personal representative. Under this section, a creditor is "identified" if the personal representative's knowledge of the name and address of the creditor will permit service of notice to be made under paragraph (c).

(c) Unless the claim has already been presented to the personal representative or paid, the personal representative shall serve a copy of the notice required by paragraph (b) upon each creditor of the decedent who is then known to the personal representative and identified either by delivery of a copy of the required notice to the creditor, or by mailing a copy of the notice to the creditor by certified, registered, or ordinary first class mail addressed to the creditor at the creditor's office or place of residence.

(d)(1) Effective for decedents dying on or after July 1, 1997, if the decedent or a predeceased spouse of the decedent received assistance for which a claim could be filed under section 246.53, 256B.15, 256D.16, or 261.04, the personal representative or the attorney for the personal representative shall serve the commissioner or executive board, as applicable, with notice in the manner prescribed in paragraph (c), or electronically in a manner prescribed by the commissioner or executive board, as soon as practicable after the appointment of the personal representative. The notice must state the decedent's full name, date of birth, and Social Security number and, to the extent then known after making a reasonably diligent inquiry, the full name, date of birth, and Social Security number for each of the decedent's predeceased spouses. The notice may also contain a statement that, after making a reasonably diligent inquiry, the personal representative has determined that the decedent did not have any predeceased spouses or that the personal representative has been unable to determine one or more of the previous items of information for a predeceased spouse of the decedent. A copy of the notice to creditors must be attached to and be a part of the notice to the commissioner or executive board.

(2) Notwithstanding a will or other instrument or law to the contrary, except as allowed in this paragraph, no property subject to administration by the estate may be distributed by the estate or the personal representative until 70 days after the date the notice is served on

the commissioner or executive board as provided in paragraph (c), unless the local agency consents as provided for in clause (6). This restriction on distribution does not apply to the personal representative's sale of real or personal property, but does apply to the net proceeds the estate receives from these sales. The personal representative, or any person with personal knowledge of the facts, may provide an affidavit containing the description of any real or personal property affected by this paragraph and stating facts showing compliance with this paragraph. If the affidavit describes real property, it may be filed or recorded in the office of the county recorder or registrar of titles for the county where the real property is located. This paragraph does not apply to proceedings under sections 524.3-1203 and 525.31, or when a duly authorized agent of a county is acting as the personal representative of the estate.

(3) At any time before an order or decree is entered under section 524.3-1001 or 524.3-1002, or a closing statement is filed under section 524.3-1003, the personal representative or the attorney for the personal representative may serve an amended notice on the commissioner or executive board to add variations or other names of the decedent or a predeceased spouse named in the notice, the name of a predeceased spouse omitted from the notice, to add or correct the date of birth or Social Security number of a decedent or predeceased spouse named in the notice, or to correct any other deficiency in a prior notice. The amended notice must state the decedent's name, date of birth, and Social Security number, the case name, case number, and district court in which the estate is pending, and the date the notice being amended was served on the commissioner or executive board. If the amendment adds the name of a predeceased spouse omitted from the notice, it must also state that spouse's full name, date of birth, and Social Security number. The amended notice must be served on the commissioner or executive board in the same manner as the original notice. Upon service, the amended notice relates back to and is effective from the date the notice it amends was served, and the time for filing claims arising under section 246.53, 256B.15, 256D.16 or 261.04 is extended by 60 days from the date of service of the amended notice. Claims filed during the 60-day period are undischarged and unbarred claims, may be prosecuted by the entities entitled to file those claims in accordance with section 524.3-1004, and the limitations in section 524.3-1006 do not apply. The personal representative or any person with personal knowledge of the facts may provide and file or record an affidavit in the same manner as provided for in clause (1).

(4) Within one year after the date an order or decree is entered under section 524.3-1001 or 524.3-1002 or a closing statement is filed under section 524.3-1003, any person who has an interest in property that was subject to administration by the estate may serve an amended

4.1 notice on the commissioner or executive board to add variations or other names of the
4.2 decedent or a predeceased spouse named in the notice, the name of a predeceased spouse
4.3 omitted from the notice, to add or correct the date of birth or Social Security number of a
4.4 decedent or predeceased spouse named in the notice, or to correct any other deficiency in
4.5 a prior notice. The amended notice must be served on the commissioner or executive board
4.6 in the same manner as the original notice and must contain the information required for
4.7 amendments under clause (3). If the amendment adds the name of a predeceased spouse
4.8 omitted from the notice, it must also state that spouse's full name, date of birth, and Social
4.9 Security number. Upon service, the amended notice relates back to and is effective from
4.10 the date the notice it amends was served. If the amended notice adds the name of an omitted
4.11 predeceased spouse or adds or corrects the Social Security number or date of birth of the
4.12 decedent or a predeceased spouse already named in the notice, then, notwithstanding any
4.13 other laws to the contrary, claims against the decedent's estate on account of those persons
4.14 resulting from the amendment and arising under section 246.53, 256B.15, 256D.16, or
4.15 261.04 are undischarged and unbarred claims, may be prosecuted by the entities entitled to
4.16 file those claims in accordance with section 524.3-1004, and the limitations in section
4.17 524.3-1006 do not apply. The person filing the amendment or any other person with personal
4.18 knowledge of the facts may provide and file or record an affidavit describing affected real
4.19 or personal property in the same manner as clause (1).

4.20 (5) After one year from the date an order or decree is entered under section 524.3-1001
4.21 or 524.3-1002, or a closing statement is filed under section 524.3-1003, no error, omission,
4.22 or defect of any kind in the notice to the commissioner or executive board required under
4.23 this paragraph or in the process of service of the notice on the commissioner or executive
4.24 board, or the failure to serve the commissioner or executive board with notice as required
4.25 by this paragraph, makes any distribution of property by a personal representative void or
4.26 voidable. The distributee's title to the distributed property shall be free of any claims based
4.27 upon a failure to comply with this paragraph.

4.28 (6) The local agency may consent to a personal representative's request to distribute
4.29 property subject to administration by the estate to distributees during the 70-day period after
4.30 service of notice on the commissioner or executive board. The local agency may grant or
4.31 deny the request in whole or in part and may attach conditions to its consent as it deems
4.32 appropriate. When the local agency consents to a distribution, it shall give the estate a written
4.33 certificate evidencing its consent to the early distribution of assets at no cost. The certificate
4.34 must include the name, case number, and district court in which the estate is pending, the
4.35 name of the local agency, describe the specific real or personal property to which the consent

5.1 applies, state that the local agency consents to the distribution of the specific property
5.2 described in the consent during the 70-day period following service of the notice on the
5.3 commissioner or executive board, state that the consent is unconditional or list all of the
5.4 terms and conditions of the consent, be dated, and may include other contents as may be
5.5 appropriate. The certificate must be signed by the director of the local agency or the director's
5.6 designees and is effective as of the date it is dated unless it provides otherwise. The signature
5.7 of the director or the director's designee does not require any acknowledgment. The certificate
5.8 shall be prima facie evidence of the facts it states, may be attached to or combined with a
5.9 deed or any other instrument of conveyance and, when so attached or combined, shall
5.10 constitute a single instrument. If the certificate describes real property, it shall be accepted
5.11 for recording or filing by the county recorder or registrar of titles in the county in which the
5.12 property is located. If the certificate describes real property and is not attached to or combined
5.13 with a deed or other instrument of conveyance, it shall be accepted for recording or filing
5.14 by the county recorder or registrar of titles in the county in which the property is located.
5.15 The certificate constitutes a waiver of the 70-day period provided for in clause (2) with
5.16 respect to the property it describes and is prima facie evidence of service of notice on the
5.17 commissioner or executive board. The certificate is not a waiver or relinquishment of any
5.18 claims arising under section 246.53, 256B.15, 256D.16, or 261.04, and does not otherwise
5.19 constitute a waiver of any of the personal representative's duties under this paragraph.
5.20 Distributees who receive property pursuant to a consent to an early distribution shall remain
5.21 liable to creditors of the estate as provided for by law.

5.22 (7) All affidavits provided for under this paragraph:

5.23 (i) shall be provided by persons who have personal knowledge of the facts stated in the
5.24 affidavit;

5.25 (ii) may be filed or recorded in the office of the county recorder or registrar of titles in
5.26 the county in which the real property they describe is located for the purpose of establishing
5.27 compliance with the requirements of this paragraph; and

5.28 (iii) are prima facie evidence of the facts stated in the affidavit.

5.29 (8) This paragraph applies to the estates of decedents dying on or after July 1, 1997.
5.30 Clause (5) also applies with respect to all notices served on the commissioner of human
5.31 services before July 1, 1997, under Laws 1996, chapter 451, article 2, section 55. All notices
5.32 served on the commissioner before July 1, 1997, pursuant to Laws 1996, chapter 451, article
5.33 2, section 55, shall be deemed to be legally sufficient for the purposes for which they were
5.34 intended, notwithstanding any errors, omissions or other defects."

6.1 Page 367, delete section 7 and insert:

6.2 "Sec. 7. Minnesota Statutes 2023 Supplement, section 124D.142, subdivision 2, as amended
6.3 by Laws 2024, chapter 80, article 4, section 10, is amended to read:

6.4 Subd. 2. **System components.** (a) The standards-based voluntary quality rating and
6.5 improvement system includes:

6.6 (1) effective July 1, 2026, at least a one-star rating for all programs licensed under
6.7 Minnesota Rules, chapter 9502 or 9503, or Tribally licensed that do not opt out of the system
6.8 under paragraph (b) and that are not:

6.9 (i) the subject of a finding of fraud for which the program or individual is currently
6.10 serving a penalty or exclusion;

6.11 (ii) prohibited from receiving public funds under section 245.095, regardless of whether
6.12 the action is under appeal;

6.13 (iii) under revocation, suspension, temporary immediate suspension, or decertification,
6.14 or is operating under a conditional license, regardless of whether the action is under appeal;
6.15 or

6.16 (iv) the subject of suspended, denied, or terminated payments to a provider under section
6.17 119B.13, subdivision 6, paragraph (d), clause (1) or (2); 245E.02, subdivision 4, paragraph
6.18 (c), clause (4); or 256.98, subdivision 1, regardless of whether the action is under appeal;

6.19 (2) quality opportunities in order to improve the educational outcomes of children so
6.20 that they are ready for school;

6.21 (3) a framework based on the Minnesota quality rating system rating tool and a common
6.22 set of child outcome and program standards informed by evaluation results;

6.23 (4) a tool to increase the number of publicly funded and regulated early learning and
6.24 care services in both public and private market programs that are high quality;

6.25 (5) voluntary participation ensuring that if a program or provider chooses to participate,
6.26 the program or provider will be rated and may receive public funding associated with the
6.27 rating; and

6.28 (6) tracking progress toward statewide access to high-quality early learning and care
6.29 programs, progress toward the number of low-income children whose parents can access
6.30 quality programs, and progress toward increasing the number of children who are fully
6.31 prepared to enter kindergarten.

(b) By July 1, 2026, the commissioner of children, youth, and families shall establish a process by which a program may opt out of the rating under paragraph (a), clause (1). The commissioner shall consult with Tribes to develop a process for rating Tribally licensed programs that is consistent with the goal outlined in paragraph (a), clause (1).

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

Page 370, delete sections 10 and 11 and insert:

"Sec. 10. Minnesota Statutes 2022, section 243.166, subdivision 7, as amended by Laws 2024, chapter 79, article 9, section 5, is amended to read:

Subd. 7. **Use of data.** (a) Except as otherwise provided in subdivision 4b or 7a or sections 244.052 and 299C.093, the data provided under this section is private data on individuals under section 13.02, subdivision 12.

(b) The data may be used only by law enforcement and corrections agencies for law enforcement and corrections purposes. Law enforcement or a corrections agent may disclose the status of an individual as a predatory offender to a child protection worker with a local welfare agency for purposes of doing a family investigation or assessment under chapter 260E. A corrections agent may also disclose the status of an individual as a predatory offender to comply with section 244.057.

(c) The commissioner of human services is authorized to have access to the data for purposes of completing background studies under chapter 245C.

(d) The direct care and treatment executive board is authorized to have access to data for any service, program, or facility owned or operated by the state of Minnesota and under the programmatic direction and fiscal control of the executive board for purposes described in section 246.13, subdivision 2, paragraph (b).

Sec. 11. Minnesota Statutes 2023 Supplement, section 245A.03, subdivision 7, as amended by Laws 2024, chapter 85, section 53, and Laws 2024, chapter 80, article 2, section 37, is amended to read:

Subd. 7. **Licensing moratorium.** (a) The commissioner shall not issue an initial license for child foster care licensed under Minnesota Rules, parts 2960.3000 to 2960.3340, which does not include child foster residence settings with residential program certifications for compliance with the Family First Prevention Services Act under section 245A.25, subdivision 1, paragraph (a), or adult foster care licensed under Minnesota Rules, parts 9555.5105 to 9555.6265, under this chapter for a physical location that will not be the primary residence

8.1 of the license holder for the entire period of licensure. If a child foster residence setting that
8.2 was previously exempt from the licensing moratorium under this paragraph has its Family
8.3 First Prevention Services Act certification rescinded under section 245A.25, subdivision 9,
8.4 or if a family adult foster care home license is issued during this moratorium, and the license
8.5 holder changes the license holder's primary residence away from the physical location of
8.6 the foster care license, the commissioner shall revoke the license according to section
8.7 245A.07. The commissioner shall not issue an initial license for a community residential
8.8 setting licensed under chapter 245D. When approving an exception under this paragraph,
8.9 the commissioner shall consider the resource need determination process in paragraph (h),
8.10 the availability of foster care licensed beds in the geographic area in which the licensee
8.11 seeks to operate, the results of a person's choices during their annual assessment and service
8.12 plan review, and the recommendation of the local county board. The determination by the
8.13 commissioner is final and not subject to appeal. Exceptions to the moratorium include:

8.14 (1) a license for a person in a foster care setting that is not the primary residence of the
8.15 license holder and where at least 80 percent of the residents are 55 years of age or older;

8.16 (2) foster care licenses replacing foster care licenses in existence on May 15, 2009, or
8.17 community residential setting licenses replacing adult foster care licenses in existence on
8.18 December 31, 2013, and determined to be needed by the commissioner under paragraph
8.19 (b);

8.20 (3) new foster care licenses or community residential setting licenses determined to be
8.21 needed by the commissioner under paragraph (b) for the closure of a nursing facility, ICF/DD,
8.22 or regional treatment center; restructuring of state-operated services that limits the capacity
8.23 of state-operated facilities; or allowing movement to the community for people who no
8.24 longer require the level of care provided in state-operated facilities as provided under section
8.25 256B.092, subdivision 13, or 256B.49, subdivision 24;

8.26 (4) new foster care licenses or community residential setting licenses determined to be
8.27 needed by the commissioner under paragraph (b) for persons requiring hospital-level care;
8.28 or

8.29 (5) new foster care licenses or community residential setting licenses for people receiving
8.30 customized living or 24-hour customized living services under the brain injury or community
8.31 access for disability inclusion waiver plans under section 256B.49 or elderly waiver plan
8.32 under chapter 256S and residing in the customized living setting for which a license is
8.33 required. A customized living service provider subject to this exception may rebut the
8.34 presumption that a license is required by seeking a reconsideration of the commissioner's

9.1 determination. The commissioner's disposition of a request for reconsideration is final and
9.2 not subject to appeal under chapter 14. The exception is available until December 31, 2023.
9.3 This exception is available when:

9.4 (i) the person's customized living services are provided in a customized living service
9.5 setting serving four or fewer people in a single-family home operational on or before June
9.6 30, 2021. Operational is defined in section 256B.49, subdivision 28;

9.7 (ii) the person's case manager provided the person with information about the choice of
9.8 service, service provider, and location of service, including in the person's home, to help
9.9 the person make an informed choice; and

9.10 (iii) the person's services provided in the licensed foster care or community residential
9.11 setting are less than or equal to the cost of the person's services delivered in the customized
9.12 living setting as determined by the lead agency.

9.13 (b) The commissioner shall determine the need for newly licensed foster care homes or
9.14 community residential settings as defined under this subdivision. As part of the determination,
9.15 the commissioner shall consider the availability of foster care capacity in the area in which
9.16 the licensee seeks to operate, and the recommendation of the local county board. The
9.17 determination by the commissioner must be final. A determination of need is not required
9.18 for a change in ownership at the same address.

9.19 (c) When an adult resident served by the program moves out of a foster home that is not
9.20 the primary residence of the license holder according to section 256B.49, subdivision 15,
9.21 paragraph (f), or the adult community residential setting, the county shall immediately
9.22 inform the Department of Human Services Licensing Division. The department may decrease
9.23 the statewide licensed capacity for adult foster care settings.

9.24 (d) Residential settings that would otherwise be subject to the decreased license capacity
9.25 established in paragraph (c) ~~shall~~ must be exempt if the license holder's beds are occupied
9.26 by residents whose primary diagnosis is mental illness and the license holder is certified
9.27 under the requirements in subdivision 6a or section 245D.33.

9.28 (e) A resource need determination process, managed at the state level, using the available
9.29 data required by section 144A.351, and other data and information shall be used to determine
9.30 where the reduced capacity determined under section 256B.493 will be implemented. The
9.31 commissioner shall consult with the stakeholders described in section 144A.351, and employ
9.32 a variety of methods to improve the state's capacity to meet the informed decisions of those
9.33 people who want to move out of corporate foster care or community residential settings,
9.34 long-term service needs within budgetary limits, including seeking proposals from service

10.1 providers or lead agencies to change service type, capacity, or location to improve services,
10.2 increase the independence of residents, and better meet needs identified by the long-term
10.3 services and supports reports and statewide data and information.

10.4 (f) At the time of application and reapplication for licensure, the applicant and the license
10.5 holder that are subject to the moratorium or an exclusion established in paragraph (a) are
10.6 required to inform the commissioner whether the physical location where the foster care
10.7 will be provided is or will be the primary residence of the license holder for the entire period
10.8 of licensure. If the primary residence of the applicant or license holder changes, the applicant
10.9 or license holder must notify the commissioner immediately. The commissioner shall print
10.10 on the foster care license certificate whether or not the physical location is the primary
10.11 residence of the license holder.

10.12 (g) License holders of foster care homes identified under paragraph (f) that are not the
10.13 primary residence of the license holder and that also provide services in the foster care home
10.14 that are covered by a federally approved home and community-based services waiver, as
10.15 authorized under chapter 256S or section 256B.092 or 256B.49, must inform the human
10.16 services licensing division that the license holder provides or intends to provide these
10.17 waiver-funded services.

10.18 (h) The commissioner may adjust capacity to address needs identified in section
10.19 144A.351. Under this authority, the commissioner may approve new licensed settings or
10.20 delicense existing settings. Delicensing of settings will be accomplished through a process
10.21 identified in section 256B.493.

10.22 (i) The commissioner must notify a license holder when its corporate foster care or
10.23 community residential setting licensed beds are reduced under this section. The notice of
10.24 reduction of licensed beds must be in writing and delivered to the license holder by certified
10.25 mail or personal service. The notice must state why the licensed beds are reduced and must
10.26 inform the license holder of its right to request reconsideration by the commissioner. The
10.27 license holder's request for reconsideration must be in writing. If mailed, the request for
10.28 reconsideration must be postmarked and sent to the commissioner within 20 calendar days
10.29 after the license holder's receipt of the notice of reduction of licensed beds. If a request for
10.30 reconsideration is made by personal service, it must be received by the commissioner within
10.31 20 calendar days after the license holder's receipt of the notice of reduction of licensed beds.

10.32 (j) The commissioner shall not issue an initial license for children's residential treatment
10.33 services licensed under Minnesota Rules, parts 2960.0580 to 2960.0700, under this chapter
10.34 for a program that Centers for Medicare and Medicaid Services would consider an institution

for mental diseases. Facilities that serve only private pay clients are exempt from the moratorium described in this paragraph. The commissioner has the authority to manage existing statewide capacity for children's residential treatment services subject to the moratorium under this paragraph and may issue an initial license for such facilities if the initial license would not increase the statewide capacity for children's residential treatment services subject to the moratorium under this paragraph."

Page 396, delete section 35 and insert:

"Sec. 35. Minnesota Statutes 2022, section 260C.301, subdivision 1, as amended by Laws 2024, chapter 80, article 8, section 27, is amended to read:

Subdivision 1. **Voluntary and involuntary.** The juvenile court may upon petition, terminate all rights of a parent to a child:

(a) with the written consent of a parent who for good cause desires to terminate parental rights; or

(b) if it finds that one or more of the following conditions exist:

(1) that the parent has abandoned the child;

(2) that the parent has substantially, continuously, or repeatedly refused or neglected to comply with the duties imposed upon that parent by the parent and child relationship, including but not limited to providing the child with necessary food, clothing, shelter, education, and other care and control necessary for the child's physical, mental, or emotional health and development, if the parent is physically and financially able, and either reasonable efforts by the social services agency have failed to correct the conditions that formed the basis of the petition or reasonable efforts would be futile and therefore unreasonable;

~~(3) that a parent has been ordered to contribute to the support of the child or financially aid in the child's birth and has continuously failed to do so without good cause. This clause shall not be construed to state a grounds for termination of parental rights of a noncustodial parent if that parent has not been ordered to or cannot financially contribute to the support of the child or aid in the child's birth;~~

~~(4)~~ (3) that a parent is palpably unfit to be a party to the parent and child relationship because of a consistent pattern of specific conduct before the child or of specific conditions directly relating to the parent and child relationship either of which are determined by the court to be of a duration or nature that renders the parent unable, for the reasonably foreseeable future, to care appropriately for the ongoing physical, mental, or emotional needs of the child. It is presumed that a parent is palpably unfit to be a party to the parent

12.1 and child relationship upon a showing that the parent's parental rights to one or more other
12.2 children were involuntarily terminated or that the parent's custodial rights to another child
12.3 have been involuntarily transferred to a relative under a juvenile protection proceeding or
12.4 a similar process of another jurisdiction;

12.5 ~~(5)~~ (4) that following the child's placement out of the home, reasonable efforts, under
12.6 the direction of the court, have failed to correct the conditions leading to the child's
12.7 placement. It is presumed that reasonable efforts under this clause have failed upon a showing
12.8 that:

12.9 (i) a child has resided out of the parental home under court order for a cumulative period
12.10 of 12 months within the preceding 22 months. In the case of a child under age eight at the
12.11 time the petition was filed alleging the child to be in need of protection or services, the
12.12 presumption arises when the child has resided out of the parental home under court order
12.13 for six months unless the parent has maintained regular contact with the child and the parent
12.14 is complying with the out-of-home placement plan;

12.15 (ii) the court has approved the out-of-home placement plan required under section
12.16 260C.212 and filed with the court under section 260C.178;

12.17 (iii) conditions leading to the out-of-home placement have not been corrected. It is
12.18 presumed that conditions leading to a child's out-of-home placement have not been corrected
12.19 upon a showing that the parent or parents have not substantially complied with the court's
12.20 orders and a reasonable case plan; and

12.21 (iv) reasonable efforts have been made by the social services agency to rehabilitate the
12.22 parent and reunite the family.

12.23 This clause does not prohibit the termination of parental rights prior to one year, or in
12.24 the case of a child under age eight, prior to six months after a child has been placed out of
12.25 the home.

12.26 It is also presumed that reasonable efforts have failed under this clause upon a showing
12.27 that:

12.28 (A) the parent has been diagnosed as chemically dependent by a professional certified
12.29 to make the diagnosis;

12.30 (B) the parent has been required by a case plan to participate in a chemical dependency
12.31 treatment program;

12.32 (C) the treatment programs offered to the parent were culturally, linguistically, and
12.33 clinically appropriate;

13.1 (D) the parent has either failed two or more times to successfully complete a treatment
13.2 program or has refused at two or more separate meetings with a caseworker to participate
13.3 in a treatment program; and

13.4 (E) the parent continues to abuse chemicals.

13.5 ~~(6)~~ (5) that a child has experienced egregious harm in the parent's care ~~which~~ that is of
13.6 a nature, duration, or chronicity that indicates a lack of regard for the child's well-being,
13.7 such that a reasonable person would believe it contrary to the best interest of the child or
13.8 of any child to be in the parent's care;

13.9 ~~(7)~~ (6) that in the case of a child born to a mother who was not married to the child's
13.10 father when the child was conceived nor when the child was born the person is not entitled
13.11 to notice of an adoption hearing under section 259.49 and the person has not registered with
13.12 the fathers' adoption registry under section 259.52;

13.13 ~~(8)~~ (7) that the child is neglected and in foster care; or

13.14 ~~(9)~~ (8) that the parent has been convicted of a crime listed in section 260.012, paragraph
13.15 (g), clauses (1) to (5).

13.16 In an action involving an American Indian child, sections 260.751 to 260.835 and the
13.17 Indian Child Welfare Act, United States Code, title 25, sections 1901 to 1923, control to
13.18 the extent that the provisions of this section are inconsistent with those laws."

13.19 Page 408, delete section 1 and insert:

13.20 "Section 1. Minnesota Statutes 2023 Supplement, section 13.46, subdivision 4, as amended
13.21 by Laws 2024, chapter 80, article 8, section 4, is amended to read:

13.22 Subd. 4. **Licensing data.** (a) As used in this subdivision:

13.23 (1) "licensing data" are all data collected, maintained, used, or disseminated by the
13.24 welfare system pertaining to persons licensed or registered or who apply for licensure or
13.25 registration or who formerly were licensed or registered under the authority of the
13.26 commissioner of human services;

13.27 (2) "client" means a person who is receiving services from a licensee or from an applicant
13.28 for licensure; and

13.29 (3) "personal and personal financial data" are Social Security numbers, identity of and
13.30 letters of reference, insurance information, reports from the Bureau of Criminal
13.31 Apprehension, health examination reports, and social/home studies.

14.1 (b)(1)(i) Except as provided in paragraph (c), the following data on applicants, license
14.2 holders, certification holders, and former licensees are public: name, address, telephone
14.3 number of licensees, email addresses except for family child foster care, date of receipt of
14.4 a completed application, dates of licensure, licensed capacity, type of client preferred,
14.5 variances granted, record of training and education in child care and child development,
14.6 type of dwelling, name and relationship of other family members, previous license history,
14.7 class of license, the existence and status of complaints, and the number of serious injuries
14.8 to or deaths of individuals in the licensed program as reported to the commissioner of human
14.9 services; the commissioner of children, youth, and families; the local social services agency;
14.10 or any other county welfare agency. For purposes of this clause, a serious injury is one that
14.11 is treated by a physician.

14.12 (ii) Except as provided in item (v), when a correction order, an order to forfeit a fine,
14.13 an order of license suspension, an order of temporary immediate suspension, an order of
14.14 license revocation, an order of license denial, or an order of conditional license has been
14.15 issued, or a complaint is resolved, the following data on current and former licensees and
14.16 applicants are public: the general nature of the complaint or allegations leading to the
14.17 temporary immediate suspension; the substance and investigative findings of the licensing
14.18 or maltreatment complaint, licensing violation, or substantiated maltreatment; the existence
14.19 of settlement negotiations; the record of informal resolution of a licensing violation; orders
14.20 of hearing; findings of fact; conclusions of law; specifications of the final correction order,
14.21 fine, suspension, temporary immediate suspension, revocation, denial, or conditional license
14.22 contained in the record of licensing action; whether a fine has been paid; and the status of
14.23 any appeal of these actions.

14.24 (iii) When a license denial under section 142A.15 or 245A.05 or a sanction under section
14.25 142B.18 or 245A.07 is based on a determination that a license holder, applicant, or controlling
14.26 individual is responsible for maltreatment under section 626.557 or chapter 260E, the identity
14.27 of the applicant, license holder, or controlling individual as the individual responsible for
14.28 maltreatment is public data at the time of the issuance of the license denial or sanction.

14.29 (iv) When a license denial under section 142A.15 or 245A.05 or a sanction under section
14.30 142B.18 or 245A.07 is based on a determination that a license holder, applicant, or controlling
14.31 individual is disqualified under chapter 245C, the identity of the license holder, applicant,
14.32 or controlling individual as the disqualified individual is public data at the time of the
14.33 issuance of the licensing sanction or denial. If the applicant, license holder, or controlling
14.34 individual requests reconsideration of the disqualification and the disqualification is affirmed,

15.1 the reason for the disqualification and the reason to not set aside the disqualification are
15.2 private data.

15.3 (v) A correction order or fine issued to a child care provider for a licensing violation is
15.4 private data on individuals under section 13.02, subdivision 12, or nonpublic data under
15.5 section 13.02, subdivision 9, if the correction order or fine is seven years old or older.

15.6 (2) For applicants who withdraw their application prior to licensure or denial of a license,
15.7 the following data are public: the name of the applicant, the city and county in which the
15.8 applicant was seeking licensure, the dates of the commissioner's receipt of the initial
15.9 application and completed application, the type of license sought, and the date of withdrawal
15.10 of the application.

15.11 (3) For applicants who are denied a license, the following data are public: the name and
15.12 address of the applicant, the city and county in which the applicant was seeking licensure,
15.13 the dates of the commissioner's receipt of the initial application and completed application,
15.14 the type of license sought, the date of denial of the application, the nature of the basis for
15.15 the denial, the existence of settlement negotiations, the record of informal resolution of a
15.16 denial, orders of hearings, findings of fact, conclusions of law, specifications of the final
15.17 order of denial, and the status of any appeal of the denial.

15.18 (4) When maltreatment is substantiated under section 626.557 or chapter 260E and the
15.19 victim and the substantiated perpetrator are affiliated with a program licensed under chapter
15.20 142B or 245A; the commissioner of human services; commissioner of children, youth, and
15.21 families; local social services agency; or county welfare agency may inform the license
15.22 holder where the maltreatment occurred of the identity of the substantiated perpetrator and
15.23 the victim.

15.24 (5) Notwithstanding clause (1), for child foster care, only the name of the license holder
15.25 and the status of the license are public if the county attorney has requested that data otherwise
15.26 classified as public data under clause (1) be considered private data based on the best interests
15.27 of a child in placement in a licensed program.

15.28 (c) The following are private data on individuals under section 13.02, subdivision 12,
15.29 or nonpublic data under section 13.02, subdivision 9: personal and personal financial data
15.30 on family day care program and family foster care program applicants and licensees and
15.31 their family members who provide services under the license.

15.32 (d) The following are private data on individuals: the identity of persons who have made
15.33 reports concerning licensees or applicants that appear in inactive investigative data, and the
15.34 records of clients or employees of the licensee or applicant for licensure whose records are

16.1 received by the licensing agency for purposes of review or in anticipation of a contested
16.2 matter. The names of reporters of complaints or alleged violations of licensing standards
16.3 under chapters 142B, 245A, 245B, 245C, and 245D, and applicable rules and alleged
16.4 maltreatment under section 626.557 and chapter 260E, are confidential data and may be
16.5 disclosed only as provided in section 260E.21, subdivision 4; 260E.35; or 626.557,
16.6 subdivision 12b.

16.7 (e) Data classified as private, confidential, nonpublic, or protected nonpublic under this
16.8 subdivision become public data if submitted to a court or administrative law judge as part
16.9 of a disciplinary proceeding in which there is a public hearing concerning a license which
16.10 has been suspended, immediately suspended, revoked, or denied.

16.11 (f) Data generated in the course of licensing investigations that relate to an alleged
16.12 violation of law are investigative data under subdivision 3.

16.13 (g) Data that are not public data collected, maintained, used, or disseminated under this
16.14 subdivision that relate to or are derived from a report as defined in section 260E.03, or
16.15 626.5572, subdivision 18, are subject to the destruction provisions of sections 260E.35,
16.16 subdivision 6, and 626.557, subdivision 12b.

16.17 (h) Upon request, not public data collected, maintained, used, or disseminated under
16.18 this subdivision that relate to or are derived from a report of substantiated maltreatment as
16.19 defined in section 626.557 or chapter 260E may be exchanged with the Department of
16.20 Health for purposes of completing background studies pursuant to section 144.057 and with
16.21 the Department of Corrections for purposes of completing background studies pursuant to
16.22 section 241.021.

16.23 (i) Data on individuals collected according to licensing activities under chapters 142B,
16.24 245A, and 245C, data on individuals collected by the commissioner of human services
16.25 according to investigations under section 626.557 and chapters 142B, 245A, 245B, 245C,
16.26 245D, and 260E may be shared with the Department of Human Rights, the Department of
16.27 Health, the Department of Corrections, the ombudsman for mental health and developmental
16.28 disabilities, and the individual's professional regulatory board when there is reason to believe
16.29 that laws or standards under the jurisdiction of those agencies may have been violated or
16.30 the information may otherwise be relevant to the board's regulatory jurisdiction. Background
16.31 study data on an individual who is the subject of a background study under chapter 245C
16.32 for a licensed service for which the commissioner of human services or children, youth,
16.33 and families is the license holder may be shared with the commissioner and the

17.1 commissioner's delegate by the licensing division. Unless otherwise specified in this chapter,
17.2 the identity of a reporter of alleged maltreatment or licensing violations may not be disclosed.

17.3 (j) In addition to the notice of determinations required under sections 260E.24,
17.4 subdivisions 5 and 7, and 260E.30, subdivision 6, paragraphs (b), (c), (d), (e), and (f), if the
17.5 commissioner of children, youth, and families or the local social services agency has
17.6 determined that an individual is a substantiated perpetrator of maltreatment of a child based
17.7 on sexual abuse, as defined in section 260E.03, and the commissioner or local social services
17.8 agency knows that the individual is a person responsible for a child's care in another facility,
17.9 the commissioner or local social services agency shall notify the head of that facility of this
17.10 determination. The notification must include an explanation of the individual's available
17.11 appeal rights and the status of any appeal. If a notice is given under this paragraph, the
17.12 government entity making the notification shall provide a copy of the notice to the individual
17.13 who is the subject of the notice.

17.14 (k) All not public data collected, maintained, used, or disseminated under this subdivision
17.15 and subdivision 3 may be exchanged between the Department of Human Services, Licensing
17.16 Division, and the Department of Corrections for purposes of regulating services for which
17.17 the Department of Human Services and the Department of Corrections have regulatory
17.18 authority.

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

17.20 Page 412, delete section 3 and insert:

17.21 "Sec. 3. Minnesota Statutes 2023 Supplement, section 245A.03, subdivision 2, as amended
17.22 by Laws 2024, chapter 85, section 52, and Laws 2024, chapter 80, article 2, section 35, is
17.23 amended to read:

17.24 Subd. 2. **Exclusion from licensure.** (a) This chapter does not apply to:

17.25 (1) residential or nonresidential programs that are provided to a person by an individual
17.26 who is related;

17.27 (2) nonresidential programs that are provided by an unrelated individual to persons from
17.28 a single related family;

17.29 (3) residential or nonresidential programs that are provided to adults who do not misuse
17.30 substances or have a substance use disorder, a mental illness, a developmental disability, a
17.31 functional impairment, or a physical disability;

18.1 (4) sheltered workshops or work activity programs that are certified by the commissioner
18.2 of employment and economic development;

18.3 (5) programs operated by a public school for children 33 months or older;

18.4 (6) nonresidential programs primarily for children that provide care or supervision for
18.5 periods of less than three hours a day while the child's parent or legal guardian is in the
18.6 same building as the nonresidential program or present within another building that is
18.7 directly contiguous to the building in which the nonresidential program is located;

18.8 (7) nursing homes or hospitals licensed by the commissioner of health except as specified
18.9 under section 245A.02;

18.10 (8) board and lodge facilities licensed by the commissioner of health that do not provide
18.11 children's residential services under Minnesota Rules, chapter 2960, mental health or
18.12 substance use disorder treatment;

18.13 (9) programs licensed by the commissioner of corrections;

18.14 (10) recreation programs for children or adults that are operated or approved by a park
18.15 and recreation board whose primary purpose is to provide social and recreational activities;

18.16 (11) noncertified boarding care homes unless they provide services for five or more
18.17 persons whose primary diagnosis is mental illness or a developmental disability;

18.18 (12) programs for children such as scouting, boys clubs, girls clubs, and sports and art
18.19 programs, and nonresidential programs for children provided for a cumulative total of less
18.20 than 30 days in any 12-month period;

18.21 (13) residential programs for persons with mental illness, that are located in hospitals;

18.22 (14) camps licensed by the commissioner of health under Minnesota Rules, chapter
18.23 4630;

18.24 (15) mental health outpatient services for adults with mental illness or children with
18.25 emotional disturbance;

18.26 (16) residential programs serving school-age children whose sole purpose is cultural or
18.27 educational exchange, until the commissioner adopts appropriate rules;

18.28 (17) community support services programs as defined in section 245.462, subdivision
18.29 6, and family community support services as defined in section 245.4871, subdivision 17;

19.1 ~~(18) settings registered under chapter 144D which provide home care services licensed~~
19.2 ~~by the commissioner of health to fewer than seven adults~~ assisted living facilities licensed
19.3 by the commissioner of health under chapter 144G;

19.4 (19) substance use disorder treatment activities of licensed professionals in private
19.5 practice as defined in section 245G.01, subdivision 17;

19.6 (20) consumer-directed community support service funded under the Medicaid waiver
19.7 for persons with developmental disabilities when the individual who provided the service
19.8 is:

19.9 (i) the same individual who is the direct payee of these specific waiver funds or paid by
19.10 a fiscal agent, fiscal intermediary, or employer of record; and

19.11 (ii) not otherwise under the control of a residential or nonresidential program that is
19.12 required to be licensed under this chapter when providing the service;

19.13 (21) a county that is an eligible vendor under section 254B.05 to provide care coordination
19.14 and comprehensive assessment services;

19.15 (22) a recovery community organization that is an eligible vendor under section 254B.05
19.16 to provide peer recovery support services; or

19.17 (23) programs licensed by the commissioner of children, youth, and families in chapter
19.18 142B.

19.19 (b) For purposes of paragraph (a), clause (6), a building is directly contiguous to a
19.20 building in which a nonresidential program is located if it shares a common wall with the
19.21 building in which the nonresidential program is located or is attached to that building by
19.22 skyway, tunnel, atrium, or common roof.

19.23 (b) Except for the home and community-based services identified in section 245D.03,
19.24 subdivision 1, nothing in this chapter shall be construed to require licensure for any services
19.25 provided and funded according to an approved federal waiver plan where licensure is
19.26 specifically identified as not being a condition for the services and funding."

19.27 Page 416, delete section 6

19.28 Page 421, delete section 12 and insert:

20.1 "Sec. 12. Minnesota Statutes 2023 Supplement, section 245A.07, subdivision 1, as amended
20.2 by Laws 2024, chapter 80, article 2, section 44, is amended to read:

20.3 Subdivision 1. **Sanctions; appeals; license.** (a) In addition to making a license conditional
20.4 under section 245A.06, the commissioner may suspend or revoke the license, impose a fine,
20.5 or secure an injunction against the continuing operation of the program of a license holder
20.6 who

20.7 does not comply with applicable law or rule.

20.8 When applying sanctions authorized under this section, the commissioner shall consider
20.9 the nature, chronicity, or severity of the violation of law or rule and the effect of the violation
20.10 on the health, safety, or rights of persons served by the program.

20.11 (b) If a license holder appeals the suspension or revocation of a license and the license
20.12 holder continues to operate the program pending a final order on the appeal, the commissioner
20.13 shall issue the license holder a temporary provisional license. The commissioner may include
20.14 terms the license holder must follow pending a final order on the appeal. Unless otherwise
20.15 specified by the commissioner, variances in effect on the date of the license sanction under
20.16 appeal continue under the temporary provisional license. If a license holder fails to comply
20.17 with applicable law or rule while operating under a temporary provisional license, the
20.18 commissioner may impose additional sanctions under this section and section 245A.06, and
20.19 may terminate any prior variance. If a temporary provisional license is set to expire, a new
20.20 temporary provisional license shall be issued to the license holder upon payment of any fee
20.21 required under section 245A.10. The temporary provisional license shall expire on the date
20.22 the final order is issued. If the license holder prevails on the appeal, a new nonprovisional
20.23 license shall be issued for the remainder of the current license period.

20.24 (c) If a license holder is under investigation and the license issued under this chapter is
20.25 due to expire before completion of the investigation, the program shall be issued a new
20.26 license upon completion of the reapplication requirements and payment of any applicable
20.27 license fee. Upon completion of the investigation, a licensing sanction may be imposed
20.28 against the new license under this section, section 245A.06, or 245A.08.

20.29 (d) Failure to reapply or closure of a license issued under this chapter by the license
20.30 holder prior to the completion of any investigation shall not preclude the commissioner
20.31 from issuing a licensing sanction under this section or section 245A.06 at the conclusion
20.32 of the investigation.

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

21.1 Page 423, delete section 14

21.2 Page 425, delete section 17 and insert:

21.3 "Sec. 17. Minnesota Statutes 2023 Supplement, section 245A.16, subdivision 1, as amended
21.4 by Laws 2024, chapter 80, article 2, section 65, is amended to read:

21.5 Subdivision 1. **Delegation of authority to agencies.** (a) County agencies that have been
21.6 designated by the commissioner to perform licensing functions and activities under section
21.7 245A.04; to recommend denial of applicants under section 245A.05; to issue correction
21.8 orders, to issue variances, and recommend a conditional license under section 245A.06; or
21.9 to recommend suspending or revoking a license or issuing a fine under section 245A.07,
21.10 shall comply with rules and directives of the commissioner governing those functions and
21.11 with this section. The following variances are excluded from the delegation of variance
21.12 authority and may be issued only by the commissioner:

21.13 (1) dual licensure of family child foster care and family adult foster care, dual licensure
21.14 of child foster residence setting and community residential setting, and dual licensure of
21.15 family adult foster care and family child care;

21.16 (2) adult foster care or community residential setting maximum capacity;

21.17 (3) adult foster care or community residential setting minimum age requirement;

21.18 (4) child foster care maximum age requirement;

21.19 (5) variances regarding disqualified individuals;

21.20 (6) the required presence of a caregiver in the adult foster care residence during normal
21.21 sleeping hours;

21.22 (7) variances to requirements relating to chemical use problems of a license holder or a
21.23 household member of a license holder; and

21.24 (8) variances to section 142B.46 for the use of a cradleboard for a cultural
21.25 accommodation.

21.26 (b) For family adult day services programs, the commissioner may authorize licensing
21.27 reviews every two years after a licensee has had at least one annual review.

21.28 (c) A license issued under this section may be issued for up to two years.

21.29 (d) During implementation of chapter 245D, the commissioner shall consider:

21.30 (1) the role of counties in quality assurance;

22.1 (2) the duties of county licensing staff; and

22.2 (3) the possible use of joint powers agreements, according to section 471.59, with counties
22.3 through which some licensing duties under chapter 245D may be delegated by the
22.4 commissioner to the counties.

22.5 Any consideration related to this paragraph must meet all of the requirements of the corrective
22.6 action plan ordered by the federal Centers for Medicare and Medicaid Services.

22.7 (e) Licensing authority specific to section 245D.06, subdivisions 5, 6, 7, and 8, or
22.8 successor provisions; and section 245D.061 or successor provisions, for family child foster
22.9 care programs providing out-of-home respite, as identified in section 245D.03, subdivision
22.10 1, paragraph (b), clause (1), is excluded from the delegation of authority to county agencies.

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

22.12 Page 427, delete section 19

22.13 Page 480, after line 18, insert:

22.14 "Sec. 76. Laws 2024, chapter 80, article 2, section 5, is amended by adding a subdivision
22.15 to read:

22.16 **Subd. 23. Family child foster care annual program evaluation.** Upon implementation
22.17 of a continuous license process for family child foster care, the annual program evaluation
22.18 required under Minnesota Rules, part 2960.3100, subpart 1, item G, must be conducted
22.19 utilizing the electronic licensing inspection checklist information and the provider licensing
22.20 and reporting hub in a manner prescribed by the commissioner.

22.21 Sec. 77. Laws 2024, chapter 80, article 2, section 6, subdivision 2, is amended to read:

22.22 Subd. 2. **Change in ownership.** (a) If the commissioner determines that there is a change
22.23 in ownership, the commissioner shall require submission of a new license application. This
22.24 subdivision does not apply to a licensed program or service located in a home where the
22.25 license holder resides. A change in ownership occurs when:

22.26 (1) except as provided in paragraph (b), the license holder sells or transfers 100 percent
22.27 of the property, stock, or assets;

22.28 (2) the license holder merges with another organization;

22.29 (3) the license holder consolidates with two or more organizations, resulting in the
22.30 creation of a new organization;

23.1 (4) there is a change to the federal tax identification number associated with the license
23.2 holder; or

23.3 (5) except as provided in paragraph (b), all controlling individuals associated with for
23.4 the original application license have changed.

23.5 (b) ~~Notwithstanding~~ For changes under paragraph (a), clauses (1) and (5) clause (1) or
23.6 (5), no change in ownership has occurred and a new license application is not required if
23.7 at least one controlling individual has been listed affiliated as a controlling individual for
23.8 the license for at least the previous 12 months immediately preceding the change.

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

23.10 Sec. 78. Laws 2024, chapter 80, article 2, section 6, subdivision 3, is amended to read:

23.11 Subd. 3. **Standard change of ownership process.** (a) When a change in ownership is
23.12 proposed and the party intends to assume operation without an interruption in service longer
23.13 than 60 days after acquiring the program or service, the license holder must provide the
23.14 commissioner with written notice of the proposed change on a form provided by the
23.15 commissioner at least ~~60~~ 90 days before the anticipated date of the change in ownership.
23.16 For purposes of this ~~subdivision and subdivision 4~~ section, "party" means the party that
23.17 intends to operate the service or program.

23.18 (b) The party must submit a license application under this chapter on the form and in
23.19 the manner prescribed by the commissioner at least ~~30~~ 90 days before the change in
23.20 ownership is anticipated to be complete and must include documentation to support the
23.21 upcoming change. The party must comply with background study requirements under chapter
23.22 245C and shall pay the application fee required under section 245A.10.

23.23 (c) The commissioner may streamline application procedures when the party is an existing
23.24 license holder under this chapter and is acquiring a program licensed under this chapter or
23.25 service in the same service class as one or more licensed programs or services the party
23.26 operates and those licenses are in substantial compliance. For purposes of this subdivision,
23.27 "substantial compliance" means within the previous 12 months the commissioner did not
23.28 (1) issue a sanction under section 245A.07 against a license held by the party, or (2) make
23.29 a license held by the party conditional according to section 245A.06.

23.30 (d) ~~Except when a temporary change in ownership license is issued pursuant to~~
23.31 ~~subdivision 4~~ While the standard change of ownership process is pending, the existing
23.32 license holder is solely remains responsible for operating the program according to applicable
23.33 laws and rules until a license under this chapter is issued to the party.

24.1 (e) If a licensing inspection of the program or service was conducted within the previous
24.2 12 months and the existing license holder's license record demonstrates substantial
24.3 compliance with the applicable licensing requirements, the commissioner may waive the
24.4 party's inspection required by section 245A.04, subdivision 4. The party must submit to the
24.5 commissioner (1) proof that the premises was inspected by a fire marshal or that the fire
24.6 marshal deemed that an inspection was not warranted, and (2) proof that the premises was
24.7 inspected for compliance with the building code or that no inspection was deemed warranted.

24.8 (f) If the party is seeking a license for a program or service that has an outstanding action
24.9 under section 245A.06 or 245A.07, the party must submit a letter as part of the application
24.10 process identifying how the party has or will come into full compliance with the licensing
24.11 requirements.

24.12 (g) The commissioner shall evaluate the party's application according to section 245A.04,
24.13 subdivision 6. If the commissioner determines that the party has remedied or demonstrates
24.14 the ability to remedy the outstanding actions under section 245A.06 or 245A.07 and has
24.15 determined that the program otherwise complies with all applicable laws and rules, the
24.16 commissioner shall issue a license or conditional license under this chapter. A conditional
24.17 license issued under this section is final and not subject to reconsideration under section
24.18 142B.16, subdivision 4. The conditional license remains in effect until the commissioner
24.19 determines that the grounds for the action are corrected or no longer exist.

24.20 (h) The commissioner may deny an application as provided in section 245A.05. An
24.21 applicant whose application was denied by the commissioner may appeal the denial according
24.22 to section 245A.05.

24.23 (i) This subdivision does not apply to a licensed program or service located in a home
24.24 where the license holder resides.

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

24.26 Sec. 80. Laws 2024, chapter 80, article 2, section 6, is amended by adding a subdivision
24.27 to read:

24.28 **Subd. 3a. Emergency change in ownership process.** (a) In the event of a death of a
24.29 license holder or sole controlling individual or a court order or other event that results in
24.30 the license holder being inaccessible or unable to operate the program or service, a party
24.31 may submit a request to the commissioner to allow the party to assume operation of the
24.32 program or service under an emergency change in ownership process to ensure persons
24.33 continue to receive services while the commissioner evaluates the party's license application.

25.1 (b) To request the emergency change of ownership process, the party must immediately:

25.2 (1) notify the commissioner of the event resulting in the inability of the license holder
25.3 to operate the program and of the party's intent to assume operations; and

25.4 (2) provide the commissioner with documentation that demonstrates the party has a legal
25.5 or legitimate ownership interest in the program or service if applicable and is able to operate
25.6 the program or service.

25.7 (c) If the commissioner approves the party to continue operating the program or service
25.8 under an emergency change in ownership process, the party must:

25.9 (1) request to be added as a controlling individual or license holder to the existing license;

25.10 (2) notify persons receiving services of the emergency change in ownership in a manner
25.11 approved by the commissioner;

25.12 (3) submit an application for a new license within 30 days of approval;

25.13 (4) comply with the background study requirements under chapter 245C; and

25.14 (5) pay the application fee required under section 142B.12.

25.15 (d) While the emergency change of ownership process is pending, a party approved
25.16 under this subdivision is responsible for operating the program under the existing license
25.17 according to applicable laws and rules until a new license under this chapter is issued.

25.18 (e) The provisions in subdivision 3, paragraphs (c) and (g) to (h), apply to this subdivision.

25.19 (f) Once a party is issued a new license or has decided not to seek a new license, the
25.20 commissioner must close the existing license.

25.21 (g) This subdivision applies to any program or service licensed under this chapter.

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

25.23 Sec. 81. Laws 2024, chapter 80, article 2, section 6, is amended by adding a subdivision
25.24 to read:

25.25 Subd. 5. **Failure to comply.** If the commissioner finds that the applicant or license holder
25.26 has not fully complied with this section, the commissioner may impose a licensing sanction
25.27 under section 142B.15, 142B.16, or 142B.18.

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

26.1 Sec. 82. Laws 2024, chapter 80, article 2, section 10, subdivision 1, is amended to read:

26.2 Subdivision 1. **Sanctions; appeals; license.** (a) In addition to making a license conditional
26.3 under section 142B.16, the commissioner may suspend or revoke the license, impose a fine,
26.4 or secure an injunction against the continuing operation of the program of a license holder
26.5 who:

26.6 (1) does not comply with applicable law or rule;

26.7 (2) has nondisqualifying background study information, as described in section 245C.05,
26.8 subdivision 4, that reflects on the license holder's ability to safely provide care to foster
26.9 children; or

26.10 (3) has an individual living in the household where the licensed services are provided
26.11 or is otherwise subject to a background study, and the individual has nondisqualifying
26.12 background study information, as described in section 245C.05, subdivision 4, that reflects
26.13 on the license holder's ability to safely provide care to foster children.

26.14 When applying sanctions authorized under this section, the commissioner shall consider
26.15 the nature, chronicity, or severity of the violation of law or rule and the effect of the violation
26.16 on the health, safety, or rights of persons served by the program.

26.17 (b) If a license holder appeals the suspension or revocation of a license and the license
26.18 holder continues to operate the program pending a final order on the appeal, the commissioner
26.19 shall issue the license holder a temporary provisional license. Unless otherwise specified
26.20 by the commissioner, variances in effect on the date of the license sanction under appeal
26.21 continue under the temporary provisional license. The commissioner may include terms the
26.22 license holder must follow pending a final order on the appeal. If a license holder fails to
26.23 comply with applicable law or rule while operating under a temporary provisional license,
26.24 the commissioner may impose additional sanctions under this section and section 142B.16
26.25 and may terminate any prior variance. If a temporary provisional license is set to expire, a
26.26 new temporary provisional license shall be issued to the license holder upon payment of
26.27 any fee required under section 142B.12. The temporary provisional license shall expire on
26.28 the date the final order is issued. If the license holder prevails on the appeal, a new
26.29 nonprovisional license shall be issued for the remainder of the current license period.

26.30 (c) If a license holder is under investigation and the license issued under this chapter is
26.31 due to expire before completion of the investigation, the program shall be issued a new
26.32 license upon completion of the reapplication requirements and payment of any applicable
26.33 license fee. Upon completion of the investigation, a licensing sanction may be imposed
26.34 against the new license under this section or section 142B.16 or 142B.20.

(d) Failure to reapply or closure of a license issued under this chapter by the license holder prior to the completion of any investigation shall not preclude the commissioner from issuing a licensing sanction under this section or section 142B.16 at the conclusion of the investigation.

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

Sec. 83. Laws 2024, chapter 80, article 2, section 10, subdivision 6, is amended to read:

Subd. 6. Appeal of multiple sanctions. (a) When the license holder appeals more than one licensing action or sanction that were simultaneously issued by the commissioner, the license holder shall specify the actions or sanctions that are being appealed.

(b) If there are different timelines prescribed in statutes for the licensing actions or sanctions being appealed, the license holder must submit the appeal within the longest of those timelines specified in statutes.

(c) The appeal must be made in writing by certified mail ~~or~~, personal service, or through the provider licensing and reporting hub. If mailed, the appeal must be postmarked and sent to the commissioner within the prescribed timeline with the first day beginning the day after the license holder receives the certified letter. If a request is made by personal service, it must be received by the commissioner within the prescribed timeline with the first day beginning the day after the license holder receives the certified letter. If the appeal is made through the provider hub, the appeal must be received by the commissioner within the prescribed timeline with the first day beginning the day after the commissioner issued the order through the hub.

(d) When there are different timelines prescribed in statutes for the appeal of licensing actions or sanctions simultaneously issued by the commissioner, the commissioner shall specify in the notice to the license holder the timeline for appeal as specified under paragraph (b).

Sec. 84. Laws 2024, chapter 80, article 2, section 16, is amended by adding a subdivision to read:

Subd. 9. Licensed child-placing agency personnel requirements. (a) A licensed child-placing agency must have an individual designated on staff or contract who supervises the agency's casework. Supervising an agency's casework includes but is not limited to:

(1) reviewing and approving each written home study the agency completes on prospective foster parents or applicants to adopt;

- 28.1 (2) ensuring ongoing compliance with licensing requirements; and
- 28.2 (3) overseeing staff and ensuring they have the training and resources needed to perform
- 28.3 their responsibilities.
- 28.4 (b) The individual who supervises the agency's casework must meet at least one of the
- 28.5 following qualifications:
- 28.6 (1) is a licensed social worker, licensed graduate social worker, licensed independent
- 28.7 social worker, or licensed independent clinical social worker;
- 28.8 (2) is a trained culturally competent professional with experience in a relevant field; or
- 28.9 (3) is a licensed clinician with experience in a related field, including a clinician licensed
- 28.10 by a health-related licensing board under section 214.01, subdivision 2.
- 28.11 (c) The commissioner may grant a variance under section 142B.10, subdivision 16, to
- 28.12 the requirements in this section."
- 28.13 Page 481, after line 2, insert:
- 28.14 "(d) Laws 2024, chapter 80, article 2, section 6, subdivision 4, is repealed."
- 28.15 Renumber the sections in sequence and correct the internal references
- 28.16 Amend the title accordingly