

1.1 Senator ..... moves to amend S.F. No. 3045 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "ARTICLE 1

1.4 STATE GOVERNMENT AND ELECTIONS APPROPRIATIONS

1.5 Section 1. STATE GOVERNMENT AND ELECTIONS APPROPRIATIONS.

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

|      |                               |             |
|------|-------------------------------|-------------|
| 1.13 | <u>APPROPRIATIONS</u>         |             |
| 1.14 | <u>Available for the Year</u> |             |
| 1.15 | <u>Ending June 30</u>         |             |
| 1.16 | <u>2026</u>                   | <u>2027</u> |

1.17 Sec. 2. LEGISLATURE

|      |   |           |                    |           |                    |
|------|---|-----------|--------------------|-----------|--------------------|
| 1.18 | <u>Subdivision 1. Total Appropriation</u> | <u>\$</u> | <u>107,228,000</u> | <u>\$</u> | <u>113,066,000</u> |
|------|---|-----------|--------------------|-----------|--------------------|

1.19 The amounts that may be spent for each  
1.20 purpose are specified in the following  
1.21 subdivisions. The base for this appropriation  
1.22 is \$111,377,000 in fiscal year 2028 and each  
1.23 fiscal year thereafter.

|      |  |                   |                   |
|------|--|-------------------|-------------------|
| 1.24 | <u>Subd. 2. Senate</u>                   | <u>38,238,000</u> | <u>39,690,000</u> |
| 1.25 | <u>Subd. 3. House of Representatives</u> | <u>36,922,000</u> | <u>39,985,000</u> |

1.26 The base for this appropriation is \$38,296,000  
1.27 in fiscal year 2028 and each fiscal year  
1.28 thereafter.

|      |   |                   |                   |
|------|---|-------------------|-------------------|
| 1.29 | <u>Subd. 4. Legislative Coordinating Commission</u> | <u>32,068,000</u> | <u>33,391,000</u> |
|------|---|-------------------|-------------------|

1.30 Legislative Auditor. \$12,076,000 the first  
1.31 year and \$12,567,000 the second year are for  
1.32 the Office of the Legislative Auditor.

2.1 Revisor of Statutes. \$9,094,000 the first year  
2.2 and \$9,466,000 the second year are for the  
2.3 Office of the Revisor of Statutes.

2.4 Legislative Reference Library. \$2,278,000  
2.5 the first year and \$2,369,000 the second year  
2.6 are for the Legislative Reference Library.

2.7 Legislative Budget Office. \$2,800,000 the  
2.8 first year and \$2,965,000 the second year are  
2.9 for the Legislative Budget Office.

|      |  |    |                  |                     |
|------|--|----|------------------|---------------------|
| 2.10 | Sec. 3. <u>GOVERNOR AND LIEUTENANT</u> |    |                  |                     |
| 2.11 | <u>GOVERNOR</u>                        | \$ | <u>9,231,000</u> | \$ <u>9,231,000</u> |

2.12 (a) \$19,000 each year is for necessary  
2.13 expenses in the normal performance of the  
2.14 governor's and lieutenant governor's duties for  
2.15 which no other reimbursement is provided.

2.16 (b) By September 1 of each year, the  
2.17 commissioner of management and budget shall  
2.18 report to the chairs and ranking minority  
2.19 members of the legislative committees with  
2.20 jurisdiction over state government finance any  
2.21 personnel costs incurred by the Offices of the  
2.22 Governor and Lieutenant Governor that were  
2.23 supported by appropriations to other agencies  
2.24 during the previous fiscal year. The Office of  
2.25 the Governor shall inform the chairs and  
2.26 ranking minority members of the committees  
2.27 before initiating any interagency agreements.

|      |                              |    |                   |                      |
|------|------------------------------|----|-------------------|----------------------|
| 2.28 | Sec. 4. <u>STATE AUDITOR</u> | \$ | <u>14,493,000</u> | \$ <u>14,734,000</u> |
|------|------------------------------|----|-------------------|----------------------|

|      |                                 |    |                   |                      |
|------|---------------------------------|----|-------------------|----------------------|
| 2.29 | Sec. 5. <u>ATTORNEY GENERAL</u> | \$ | <u>50,385,000</u> | \$ <u>50,682,000</u> |
|------|---------------------------------|----|-------------------|----------------------|

|      |                               |                   |                   |
|------|-------------------------------|-------------------|-------------------|
| 2.30 | <u>Appropriations by Fund</u> |                   |                   |
| 2.31 |                               | <u>2026</u>       | <u>2027</u>       |
| 2.32 | <u>General</u>                | <u>46,969,000</u> | <u>47,266,000</u> |
| 2.33 | <u>State Government</u>       |                   |                   |
| 2.34 | <u>Special Revenue</u>        | <u>3,021,000</u>  | <u>3,021,000</u>  |

|      |  |                   |                   |                   |                      |
|------|--|-------------------|-------------------|-------------------|----------------------|
| 3.1  | <u>Environmental</u>                                   | <u>145,000</u>    | <u>145,000</u>    |                   |                      |
| 3.2  | <u>Remediation</u>                                     | <u>250,000</u>    | <u>250,000</u>    |                   |                      |
| 3.3  | <u>The general fund base for this appropriation</u>    |                   |                   |                   |                      |
| 3.4  | <u>is \$46,907,000 in fiscal year 2029 and each</u>    |                   |                   |                   |                      |
| 3.5  | <u>fiscal year thereafter.</u>                         |                   |                   |                   |                      |
| 3.6  | Sec. 6. <u>SECRETARY OF STATE</u>                      |                   | <u>\$</u>         | <u>10,426,000</u> | <u>\$ 10,426,000</u> |
| 3.7  | <u>The base for this appropriation is \$10,356,000</u> |                   |                   |                   |                      |
| 3.8  | <u>in fiscal year 2028 and \$10,426,000 in fiscal</u>  |                   |                   |                   |                      |
| 3.9  | <u>year 2029.</u>                                      |                   |                   |                   |                      |
| 3.10 | Sec. 7. <u>STATE BOARD OF INVESTMENT</u>               |                   | <u>\$</u>         | <u>139,000</u>    | <u>\$ 139,000</u>    |
| 3.11 | Sec. 8. <u>ADMINISTRATIVE HEARINGS</u>                 |                   | <u>\$</u>         | <u>11,110,000</u> | <u>\$ 11,709,000</u> |
| 3.12 | <u>Appropriations by Fund</u>                          |                   |                   |                   |                      |
| 3.13 |  | <u>2026</u>       | <u>2027</u>       |                   |                      |
| 3.14 | <u>General</u>   | <u>705,000</u>    | <u>715,000</u>    |                   |                      |
| 3.15 | <u>Workers'</u>  |                   |                   |                   |                      |
| 3.16 | <u>Compensation</u>                                    | <u>10,405,000</u> | <u>10,994,000</u> |                   |                      |
| 3.17 | Sec. 9. <u>INFORMATION TECHNOLOGY</u>                  |                   |                   |                   |                      |
| 3.18 | <u>SERVICES</u>  |                   | <u>\$</u>         | <u>10,939,000</u> | <u>\$ 11,150,000</u> |
| 3.19 | <u>During the biennium ending June 30, 2027,</u>       |                   |                   |                   |                      |
| 3.20 | <u>the Department of Information Technology</u>        |                   |                   |                   |                      |
| 3.21 | <u>Services must not charge fees to a public</u>       |                   |                   |                   |                      |
| 3.22 | <u>noncommercial educational television</u>            |                   |                   |                   |                      |
| 3.23 | <u>broadcast station eligible for funding under</u>    |                   |                   |                   |                      |
| 3.24 | <u>Minnesota Statutes, chapter 129D, for access</u>    |                   |                   |                   |                      |
| 3.25 | <u>to the state broadcast infrastructure. If the</u>   |                   |                   |                   |                      |
| 3.26 | <u>access fees not charged to public</u>               |                   |                   |                   |                      |
| 3.27 | <u>noncommercial educational television</u>            |                   |                   |                   |                      |
| 3.28 | <u>broadcast stations total more than \$400,000</u>    |                   |                   |                   |                      |
| 3.29 | <u>for the biennium, the office may charge for</u>     |                   |                   |                   |                      |
| 3.30 | <u>access fees in excess of these amounts.</u>         |                   |                   |                   |                      |
| 3.31 | Sec. 10. <u>ADMINISTRATION</u>                         |                   |                   |                   |                      |
| 3.32 | <u>Subdivision 1. Total Appropriation</u>              |                   | <u>\$</u>         | <u>37,329,000</u> | <u>\$ 38,031,000</u> |

|      |   |                   |                   |
|------|---|-------------------|-------------------|
| 4.1  | <u>The amounts that may be spent for each</u>                 |                   |                   |
| 4.2  | <u>purpose are specified in the following</u>                 |                   |                   |
| 4.3  | <u>subdivisions.</u>  |                   |                   |
| 4.4  | <u>Subd. 2. <b>Government and Citizen Services</b></u>        | <u>18,310,000</u> | <u>18,117,000</u> |
| 4.5  | <u><b>Council on Developmental Disabilities.</b></u>          |                   |                   |
| 4.6  | <u>\$222,000 each year is for the Council on</u>              |                   |                   |
| 4.7  | <u>Developmental Disabilities.</u>                            |                   |                   |
| 4.8  | <u><b>State Agency Accommodation</b></u>                      |                   |                   |
| 4.9  | <u><b>Reimbursement.</b> \$200,000 each year may be</u>       |                   |                   |
| 4.10 | <u>transferred to the accommodation account</u>               |                   |                   |
| 4.11 | <u>established in Minnesota Statutes, section</u>             |                   |                   |
| 4.12 | <u>16B.4805.</u>  |                   |                   |
| 4.13 | <u><b>Office of Enterprise Translations.</b></u>              |                   |                   |
| 4.14 | <u>\$1,010,000 each year is for the Office of</u>             |                   |                   |
| 4.15 | <u>Enterprise Translations. \$100,000 each year</u>           |                   |                   |
| 4.16 | <u>may be transferred to the language access</u>              |                   |                   |
| 4.17 | <u>service account established in Minnesota</u>               |                   |                   |
| 4.18 | <u>Statutes, section 16B.373.</u>                             |                   |                   |
| 4.19 | <u><b>Grants.</b> \$250,000 the first year is for a grant</u> |                   |                   |
| 4.20 | <u>to the Minnesota Orchestra for programming</u>             |                   |                   |
| 4.21 | <u>in musical performance.</u>                                |                   |                   |
| 4.22 | <u>\$220,000 the first year is for a grant to History</u>     |                   |                   |
| 4.23 | <u>Theatre to perform a play celebrating Hmong</u>            |                   |                   |
| 4.24 | <u>arts and culture.</u>                                      |                   |                   |
| 4.25 | <u>Subd. 3. <b>Strategic Management Services</b></u>          | <u>2,676,000</u>  | <u>2,716,000</u>  |
| 4.26 | <u>Subd. 4. <b>Fiscal Agent</b></u>                           | <u>16,343,000</u> | <u>17,198,000</u> |
| 4.27 | <u>The appropriations under this section are to</u>           |                   |                   |
| 4.28 | <u>the commissioner of administration for the</u>             |                   |                   |
| 4.29 | <u>purposes specified.</u>                                    |                   |                   |
| 4.30 | <u><b>In-Lieu of Rent.</b> \$12,139,000 the first year</u>    |                   |                   |
| 4.31 | <u>and \$12,994,000 the second year are for space</u>         |                   |                   |
| 4.32 | <u>costs of the legislature and veterans</u>                  |                   |                   |

5.1 organizations, ceremonial space, and  
5.2 statutorily free space.

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

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

5.8 (c) The commissioner of administration must  
5.9 consider the recommendations of the  
5.10 Minnesota Public Television Association  
5.11 before allocating the amounts appropriated in  
5.12 paragraphs (a) and (b) for equipment or  
5.13 matching grants.

5.14 **Public Radio.** (a) \$1,242,000 each year is for  
5.15 community service grants to public  
5.16 educational radio stations. This appropriation  
5.17 may be used to disseminate emergency  
5.18 information in foreign languages. Any  
5.19 unencumbered balance does not cancel at the  
5.20 end of the first year and is available for the  
5.21 second year.

5.22 (b) \$142,000 each year is for equipment grants  
5.23 to public educational radio stations. This  
5.24 appropriation may be used for the repair,  
5.25 rental, and purchase of equipment including  
5.26 equipment under \$500.

5.27 (c) \$1,020,000 each year is for equipment  
5.28 grants to Minnesota Public Radio, Inc.,  
5.29 including upgrades to Minnesota's Emergency  
5.30 Alert and AMBER Alert Systems.

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

6.1 (e) The commissioner of administration must  
6.2 consider the recommendations of the  
6.3 Association of Minnesota Public Educational  
6.4 Radio Stations before awarding grants under  
6.5 Minnesota Statutes, section 129D.14, using  
6.6 the appropriations in paragraphs (a) and (b).  
6.7 No grantee is eligible for a grant unless they  
6.8 are a member of the Association of Minnesota  
6.9 Public Educational Radio Stations on or before  
6.10 July 1, 2025.

6.11 (f) Any unencumbered balance remaining the  
6.12 first year for grants to public television or  
6.13 public radio stations does not cancel and is  
6.14 available for the second year.

|      |   |                  |                       |                       |
|------|---|------------------|-----------------------|-----------------------|
| 6.15 | <b><u>Sec. 11. CAPITOL AREA ARCHITECTURAL</u></b> |                  |                       |                       |
| 6.16 | <b><u>AND PLANNING BOARD</u></b>                  | <b><u>\$</u></b> | <b><u>464,000</u></b> | <b><u>\$</u></b>      |
|      |   |                  |                       | <b><u>472,000</u></b> |

|      |   |                  |                          |                          |
|------|---|------------------|--------------------------|--------------------------|
| 6.17 | <b><u>Sec. 12. MINNESOTA MANAGEMENT AND</u></b> |                  |                          |                          |
| 6.18 | <b><u>BUDGET</u></b>                            | <b><u>\$</u></b> | <b><u>51,688,000</u></b> | <b><u>\$</u></b>         |
|      |   |                  |                          | <b><u>52,709,000</u></b> |

6.19 **Sec. 13. REVENUE**

|      |  |                  |                           |                           |
|------|--|------------------|---------------------------|---------------------------|
| 6.20 | <b><u>Subdivision 1. Total Appropriation</u></b> | <b><u>\$</u></b> | <b><u>215,761,000</u></b> | <b><u>\$</u></b>          |
|      |  |                  |                           | <b><u>217,073,000</u></b> |

|      |                               |                    |                    |
|------|-------------------------------|--------------------|--------------------|
| 6.21 | <u>Appropriations by Fund</u> |                    |                    |
| 6.22 |                               | <u>2026</u>        | <u>2027</u>        |
| 6.23 | <u>General</u>                | <u>211,501,000</u> | <u>212,813,000</u> |
| 6.24 | <u>Health Care Access</u>     | <u>1,760,000</u>   | <u>1,760,000</u>   |
| 6.25 | <u>Highway User Tax</u>       |                    |                    |
| 6.26 | <u>Distribution</u>           | <u>2,195,000</u>   | <u>2,195,000</u>   |
| 6.27 | <u>Environmental</u>          | <u>305,000</u>     | <u>305,000</u>     |

6.28 The general fund base for this appropriation  
6.29 is \$212,297,000 in fiscal year 2028 and  
6.30 \$212,197,000 in fiscal year 2029 and each  
6.31 fiscal year thereafter.

|      |  |                           |                           |
|------|--|---------------------------|---------------------------|
| 6.32 | <b><u>Subd. 2. Tax System Management</u></b> | <b><u>179,976,000</u></b> | <b><u>180,553,000</u></b> |
|------|--|---------------------------|---------------------------|

|      |                               |                    |                    |
|------|-------------------------------|--------------------|--------------------|
| 6.33 | <u>Appropriations by Fund</u> |                    |                    |
| 6.34 | <u>General</u>                | <u>175,716,000</u> | <u>176,293,000</u> |
| 6.35 | <u>Health Care Access</u>     | <u>1,760,000</u>   | <u>1,760,000</u>   |

|      |   |                  |                            |                   |
|------|---|------------------|----------------------------|-------------------|
| 7.1  | <u>Highway User Tax</u>   |                  |                            |                   |
| 7.2  | <u>Distribution</u>   | <u>2,195,000</u> |                            | <u>2,195,000</u>  |
| 7.3  | <u>Environmental</u>  | <u>305,000</u>   |                            | <u>305,000</u>    |
| 7.4  | <u>The general fund base for this appropriation</u>             |                  |                            |                   |
| 7.5  | <u>is \$175,777,000 in fiscal year 2028 and</u>                 |                  |                            |                   |
| 7.6  | <u>\$175,677,000 in fiscal year 2029 and each</u>               |                  |                            |                   |
| 7.7  | <u>fiscal year thereafter.</u>                                  |                  |                            |                   |
| 7.8  | <b><u>Taxpayer Assistance and Tax Credit</u></b>                |                  |                            |                   |
| 7.9  | <b><u>Outreach Grants.</u></b> (a) <u>\$1,750,000 each year</u> |                  |                            |                   |
| 7.10 | <u>is for taxpayer assistance grants under</u>                  |                  |                            |                   |
| 7.11 | <u>Minnesota Statutes, section 270C.21,</u>                     |                  |                            |                   |
| 7.12 | <u>subdivision 3. The unencumbered balance in</u>               |                  |                            |                   |
| 7.13 | <u>the first year does not cancel but is available</u>          |                  |                            |                   |
| 7.14 | <u>for the second year.</u>                                     |                  |                            |                   |
| 7.15 | (b) <u>\$1,000,000 each year is for tax credit</u>              |                  |                            |                   |
| 7.16 | <u>outreach grants under Minnesota Statutes,</u>                |                  |                            |                   |
| 7.17 | <u>section 270C.21, subdivision 4.</u>                          |                  |                            |                   |
| 7.18 | Subd. 3. <b><u>Debt Collection Management</u></b>               |                  | <u>35,785,000</u>          | <u>36,520,000</u> |
| 7.19 | Sec. 14. <b><u>GAMBLING CONTROL</u></b>                         | <u>\$</u>        | <u>6,334,000</u> <u>\$</u> | <u>6,334,000</u>  |
| 7.20 | <u>These appropriations are from the lawful</u>                 |                  |                            |                   |
| 7.21 | <u>gambling regulation account in the special</u>               |                  |                            |                   |
| 7.22 | <u>revenue fund.</u>  |                  |                            |                   |
| 7.23 | Sec. 15. <b><u>RACING COMMISSION</u></b>                        | <u>\$</u>        | <u>954,000</u> <u>\$</u>   | <u>954,000</u>    |
| 7.24 | <u>These appropriations are from the racing and</u>             |                  |                            |                   |
| 7.25 | <u>card playing regulation accounts in the special</u>          |                  |                            |                   |
| 7.26 | <u>revenue fund.</u>  |                  |                            |                   |
| 7.27 | Sec. 16. <b><u>STATE LOTTERY</u></b>                            |                  |                            |                   |
| 7.28 | <u>Notwithstanding Minnesota Statutes, section</u>              |                  |                            |                   |
| 7.29 | <u>349A.10, subdivision 3, the State Lottery's</u>              |                  |                            |                   |
| 7.30 | <u>operating budget must not exceed \$45,000,000</u>            |                  |                            |                   |
| 7.31 | <u>in fiscal year 2026 and \$45,000,000 in fiscal</u>           |                  |                            |                   |
| 7.32 | <u>year 2027.</u>   |                  |                            |                   |
| 7.33 | Sec. 17. <b><u>AMATEUR SPORTS COMMISSION</u></b>                | <u>\$</u>        | <u>401,000</u> <u>\$</u>   | <u>411,000</u>    |

|      |   |    |                   |                      |
|------|---|----|-------------------|----------------------|
| 8.1  | Sec. 18. <u>COUNCIL FOR MINNESOTANS OF</u>            |    |                   |                      |
| 8.2  | <u>AFRICAN HERITAGE</u>                               | \$ | <u>938,000</u>    | \$ <u>955,000</u>    |
| 8.3  | Sec. 19. <u>COUNCIL ON LATINO AFFAIRS</u>             | \$ | <u>829,000</u>    | \$ <u>841,000</u>    |
| 8.4  | Sec. 20. <u>COUNCIL ON ASIAN-PACIFIC</u>              |    |                   |                      |
| 8.5  | <u>MINNESOTANS</u>                                    | \$ | <u>655,000</u>    | \$ <u>665,000</u>    |
| 8.6  | Sec. 21. <u>COUNCIL ON LGBTQIA2S+</u>                 |    |                   |                      |
| 8.7  | <u>MINNESOTANS</u>                                    | \$ | <u>737,000</u>    | \$ <u>745,000</u>    |
| 8.8  | Sec. 22. <u>INDIAN AFFAIRS COUNCIL</u>                | \$ | <u>1,381,000</u>  | \$ <u>1,402,000</u>  |
| 8.9  | Sec. 23. <u>MINNESOTA HISTORICAL</u>                  |    |                   |                      |
| 8.10 | <u>SOCIETY</u>  |    |                   |                      |
| 8.11 | Subdivision 1. <u>Total Appropriation</u>             | \$ | <u>26,763,000</u> | \$ <u>27,076,000</u> |
| 8.12 | <u>The amounts that may be spent for each</u>         |    |                   |                      |
| 8.13 | <u>purpose are specified in the following</u>         |    |                   |                      |
| 8.14 | <u>subdivisions.</u>                                  |    |                   |                      |
| 8.15 | Subd. 2. <u>Operations and Programs</u>               |    | <u>26,442,000</u> | <u>26,755,000</u>    |
| 8.16 | <u>Notwithstanding Minnesota Statutes, section</u>    |    |                   |                      |
| 8.17 | <u>138.668, the Minnesota Historical Society may</u>  |    |                   |                      |
| 8.18 | <u>not charge a fee for its general tours at the</u>  |    |                   |                      |
| 8.19 | <u>Capitol, but may charge fees for special</u>       |    |                   |                      |
| 8.20 | <u>programs other than general tours.</u>             |    |                   |                      |
| 8.21 | Subd. 3. <u>Fiscal Agent</u>                          |    | <u>321,000</u>    | <u>321,000</u>       |
| 8.22 | <u>(a) Global Minnesota</u>                           |    | <u>39,000</u>     | <u>39,000</u>        |
| 8.23 | <u>(b) Minnesota Air National Guard Museum</u>        |    | <u>17,000</u>     | <u>17,000</u>        |
| 8.24 | <u>(c) Hockey Hall of Fame</u>                        |    | <u>100,000</u>    | <u>100,000</u>       |
| 8.25 | <u>(d) Farmamerica</u>                                |    | <u>115,000</u>    | <u>115,000</u>       |
| 8.26 | <u>(e) Minnesota Military Museum</u>                  |    | <u>50,000</u>     | <u>50,000</u>        |
| 8.27 | <u>Any unencumbered balance remaining in this</u>     |    |                   |                      |
| 8.28 | <u>subdivision the first year does not cancel but</u> |    |                   |                      |
| 8.29 | <u>is available for the second year of the</u>        |    |                   |                      |
| 8.30 | <u>biennium.</u>                                      |    |                   |                      |
| 8.31 | Sec. 24. <u>BOARD OF THE ARTS</u>                     |    |                   |                      |
| 8.32 | Subdivision 1. <u>Total Appropriation</u>             | \$ | <u>7,798,000</u>  | \$ <u>7,808,000</u>  |



|      |  |                  |                  |                            |
|------|--|------------------|------------------|----------------------------|
| 9.1  | <u>The amounts that may be spent for each</u>              |                  |                  |                            |
| 9.2  | <u>purpose are specified in the following</u>              |                  |                  |                            |
| 9.3  | <u>subdivisions.</u>                                       |                  |                  |                            |
| 9.4  | <u>Subd. 2. <b>Operations and Services</b></u>             | <u>859,000</u>   |                  | <u>869,000</u>             |
| 9.5  | <u>Subd. 3. <b>Grants Program</b></u>                      | <u>4,800,000</u> |                  | <u>4,800,000</u>           |
| 9.6  | <u>Subd. 4. <b>Regional Arts Councils</b></u>              | <u>2,139,000</u> |                  | <u>2,139,000</u>           |
| 9.7  | <u>Any unencumbered balance remaining in this</u>          |                  |                  |                            |
| 9.8  | <u>section the first year does not cancel, but is</u>      |                  |                  |                            |
| 9.9  | <u>available for the second year.</u>                      |                  |                  |                            |
| 9.10 | <u>Money appropriated in this section and</u>              |                  |                  |                            |
| 9.11 | <u>distributed as grants may only be spent on</u>          |                  |                  |                            |
| 9.12 | <u>projects located in Minnesota. A recipient of</u>       |                  |                  |                            |
| 9.13 | <u>a grant funded by an appropriation in this</u>          |                  |                  |                            |
| 9.14 | <u>section must not use more than ten percent of</u>       |                  |                  |                            |
| 9.15 | <u>the total grant for costs related to travel outside</u> |                  |                  |                            |
| 9.16 | <u>the state of Minnesota.</u>                             |                  |                  |                            |
| 9.17 | <u>Sec. 25. <b>MINNESOTA HUMANITIES</b></u>                |                  |                  |                            |
| 9.18 | <u><b>CENTER</b></u>                                       | <u>\$</u>        | <u>970,000</u>   | <u>\$</u> <u>970,000</u>   |
| 9.19 | <u>\$500,000 each year is for Healthy Eating, Here</u>     |                  |                  |                            |
| 9.20 | <u>at Home grants under Minnesota Statutes,</u>            |                  |                  |                            |
| 9.21 | <u>section 138.912. No more than three percent</u>         |                  |                  |                            |
| 9.22 | <u>of the appropriation may be used for the</u>            |                  |                  |                            |
| 9.23 | <u>nonprofit administration of the program.</u>            |                  |                  |                            |
| 9.24 | <u>Sec. 26. <b>BOARD OF ACCOUNTANCY</b></u>                | <u>\$</u>        | <u>873,000</u>   | <u>\$</u> <u>887,000</u>   |
| 9.25 | <u>Sec. 27. <b>BOARD OF ARCHITECTURE</b></u>               |                  |                  |                            |
| 9.26 | <u><b>ENGINEERING, LAND SURVEYING,</b></u>                 |                  |                  |                            |
| 9.27 | <u><b>LANDSCAPE ARCHITECTURE,</b></u>                      |                  |                  |                            |
| 9.28 | <u><b>GEOSCIENCE, AND INTERIOR DESIGN</b></u>              | <u>\$</u>        | <u>928,000</u>   | <u>\$</u> <u>943,000</u>   |
| 9.29 | <u>Sec. 28. <b>BOARD OF COSMETOLOGIST</b></u>              |                  |                  |                            |
| 9.30 | <u><b>EXAMINERS</b></u>                                    | <u>\$</u>        | <u>3,659,000</u> | <u>\$</u> <u>3,716,000</u> |
| 9.31 | <u>Sec. 29. <b>BOARD OF BARBER EXAMINERS</b></u>           | <u>\$</u>        | <u>459,000</u>   | <u>\$</u> <u>466,000</u>   |
| 9.32 | <u>Sec. 30. <b>GENERAL CONTINGENT</b></u>                  |                  |                  |                            |
| 9.33 | <u><b>ACCOUNTS</b></u>                                     | <u>\$</u>        | <u>2,000,000</u> | <u>\$</u> <u>500,000</u>   |

|       |   |                  |                   |                      |
|-------|---|------------------|-------------------|----------------------|
| 10.1  | <u>Appropriations by Fund</u>                             |                  |                   |                      |
| 10.2  |   | <u>2026</u>      | <u>2027</u>       |                      |
| 10.3  | <u>General</u>  | <u>1,500,000</u> | <u>-0-</u>        |                      |
| 10.4  | <u>State Government</u>                                   |                  |                   |                      |
| 10.5  | <u>Special Revenue</u>                                    | <u>400,000</u>   | <u>400,000</u>    |                      |
| 10.6  | <u>Workers'</u>   |                  |                   |                      |
| 10.7  | <u>Compensation</u>                                       | <u>100,000</u>   | <u>100,000</u>    |                      |
| 10.8  | <u>(a) The general fund base for this</u>                 |                  |                   |                      |
| 10.9  | <u>appropriation is \$1,500,000 in fiscal year 2026</u>   |                  |                   |                      |
| 10.10 | <u>and each even-numbered fiscal year thereafter.</u>     |                  |                   |                      |
| 10.11 | <u>The base is \$0 for fiscal year 2027 and each</u>      |                  |                   |                      |
| 10.12 | <u>odd-numbered fiscal year thereafter.</u>               |                  |                   |                      |
| 10.13 | <u>(b) The appropriations in this section may only</u>    |                  |                   |                      |
| 10.14 | <u>be spent with the approval of the governor</u>         |                  |                   |                      |
| 10.15 | <u>after consultation with the Legislative</u>            |                  |                   |                      |
| 10.16 | <u>Advisory Commission pursuant to Minnesota</u>          |                  |                   |                      |
| 10.17 | <u>Statutes, section 3.30.</u>                            |                  |                   |                      |
| 10.18 | <u>(c) If an appropriation in this section for either</u> |                  |                   |                      |
| 10.19 | <u>year is insufficient, the appropriation for the</u>    |                  |                   |                      |
| 10.20 | <u>other year is available for it.</u>                    |                  |                   |                      |
| 10.21 | <u>(d) If a contingent account appropriation is</u>       |                  |                   |                      |
| 10.22 | <u>made in one fiscal year, it should be</u>              |                  |                   |                      |
| 10.23 | <u>considered a biennial appropriation.</u>               |                  |                   |                      |
| 10.24 | Sec. 31. <u><b>TORT CLAIMS</b></u>                        | <u>\$</u>        | <u>161,000</u>    | <u>\$ 161,000</u>    |
| 10.25 | <u>These appropriations are to be spent by the</u>        |                  |                   |                      |
| 10.26 | <u>commissioner of management and budget</u>              |                  |                   |                      |
| 10.27 | <u>according to Minnesota Statutes, section</u>           |                  |                   |                      |
| 10.28 | <u>3.736, subdivision 7. If the appropriation for</u>     |                  |                   |                      |
| 10.29 | <u>either year is insufficient, the appropriation</u>     |                  |                   |                      |
| 10.30 | <u>for the other year is available for it.</u>            |                  |                   |                      |
| 10.31 | Sec. 32. <u><b>MINNESOTA STATE RETIREMENT</b></u>         |                  |                   |                      |
| 10.32 | <u><b>SYSTEM</b></u>                                      |                  |                   |                      |
| 10.33 | <u>Subdivision 1. <b>Total Appropriation</b></u>          | <u>\$</u>        | <u>15,064,000</u> | <u>\$ 15,154,000</u> |

|       |  |                      |                      |
|-------|--|----------------------|----------------------|
| 11.1  | <u>The amounts that may be spent for each</u>            |                      |                      |
| 11.2  | <u>purpose are specified in the following</u>            |                      |                      |
| 11.3  | <u>subdivisions.</u>                                     |                      |                      |
| 11.4  | <b><u>Subd. 2. Combined Legislators and</u></b>          |                      |                      |
| 11.5  | <b><u>Constitutional Officers Retirement Plan</u></b>    | <u>9,064,000</u>     | <u>9,154,000</u>     |
| 11.6  | <u>Under Minnesota Statutes, sections 3A.03,</u>         |                      |                      |
| 11.7  | <u>subdivision 2; 3A.04, subdivisions 3 and 4;</u>       |                      |                      |
| 11.8  | <u>and 3A.115.</u>                                       |                      |                      |
| 11.9  | <b><u>Subd. 3. Judges Retirement Plan</u></b>            | <u>6,000,000</u>     | <u>6,000,000</u>     |
| 11.10 | <u>For transfer to the judges retirement fund</u>        |                      |                      |
| 11.11 | <u>under Minnesota Statutes, section 490.123.</u>        |                      |                      |
| 11.12 | <u>This transfer continues each fiscal year until</u>    |                      |                      |
| 11.13 | <u>the judges retirement plan reaches 100 percent</u>    |                      |                      |
| 11.14 | <u>funding as determined by an actuarial</u>             |                      |                      |
| 11.15 | <u>valuation prepared according to Minnesota</u>         |                      |                      |
| 11.16 | <u>Statutes, section 356.214.</u>                        |                      |                      |
| 11.17 | <b><u>Sec. 33. PUBLIC EMPLOYEES RETIREMENT</u></b>       |                      |                      |
| 11.18 | <b><u>ASSOCIATION</u></b>                                | <u>\$ 25,000,000</u> | <u>\$ 25,000,000</u> |
| 11.19 | <u>(a) \$9,000,000 each year is for direct state aid</u> |                      |                      |
| 11.20 | <u>to the public employees police and fire</u>           |                      |                      |
| 11.21 | <u>retirement plan authorized under Minnesota</u>        |                      |                      |
| 11.22 | <u>Statutes, section 353.65, subdivision 3b.</u>         |                      |                      |
| 11.23 | <u>(b) State payments from the general fund to</u>       |                      |                      |
| 11.24 | <u>the Public Employees Retirement Association</u>       |                      |                      |
| 11.25 | <u>on behalf of the former MERF division</u>             |                      |                      |
| 11.26 | <u>account are \$16,000,000 on September 15,</u>         |                      |                      |
| 11.27 | <u>2026, and \$16,000,000 on September 15,</u>           |                      |                      |
| 11.28 | <u>2027. These amounts are estimated to be</u>           |                      |                      |
| 11.29 | <u>needed under Minnesota Statutes, section</u>          |                      |                      |
| 11.30 | <u>353.505.</u>  |                      |                      |
| 11.31 | <b><u>Sec. 34. TEACHERS RETIREMENT</u></b>               |                      |                      |
| 11.32 | <b><u>ASSOCIATION</u></b>                                | <u>\$ 29,831,000</u> | <u>\$ 29,831,000</u> |
| 11.33 | <u>The amounts estimated to be needed are as</u>         |                      |                      |
| 11.34 | <u>follows:</u>  |                      |                      |



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

13.4 **Council on Developmental Disabilities.**

13.5 \$222,000 each year is for the Council on  
13.6 Developmental Disabilities.

13.7 **State Agency Accommodation**

13.8 **Reimbursement.** \$200,000 each year may be  
13.9 transferred to the accommodation account  
13.10 established in Minnesota Statutes, section  
13.11 16B.4805.

13.12 **Disparity Study.** \$500,000 the first year and  
13.13 \$1,000,000 the second year are to conduct a  
13.14 study on disparities in state procurement. This  
13.15 is a onetime appropriation.

13.16 **Grants Administration Oversight.**

13.17 \$2,411,000 the first year and \$1,782,000 the  
13.18 second year are for grants administration  
13.19 oversight. The base for this appropriation in  
13.20 fiscal year 2026 and each year thereafter is  
13.21 \$1,581,000.

13.22 \$735,000 the first year and \$201,000 the  
13.23 second year are for a study to develop a road  
13.24 map on the need for an enterprise grants  
13.25 management system and to implement the  
13.26 study's recommendation. This is a onetime  
13.27 appropriation.

13.28 **Risk Management Fund Property**

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

13.33 **Office of Enterprise Translations.**

13.34 \$1,306,000 the first year and \$1,159,000 the

14.1 second year are to establish the Office of

14.2 Enterprise Translations. \$250,000 each year

14.3 may be transferred to the language access

14.4 service account established in Minnesota

14.5 Statutes, section 16B.373.

14.6 **Capitol Mall Design Framework**

14.7 **Implementation.** \$5,000,000 the first year is

14.8 to implement the updated Capitol Mall Design

14.9 Framework, prioritizing the framework plans

14.10 identified in article 2, section 124. This

14.11 appropriation is available until ~~December 31,~~

14.12 2024 June 30, 2026.

14.13 **Parking Fund.** \$3,255,000 the first year and

14.14 \$1,085,000 the second year are for a transfer

14.15 to the state parking account to maintain the

14.16 operations of the parking and transit program

14.17 on the Capitol complex. These are onetime

14.18 transfers.

14.19 **Procurement; Environmental Analysis and**

14.20 **Task Force.** \$522,000 the first year and

14.21 \$367,000 the second year are to implement

14.22 the provisions of Minnesota Statutes, section

14.23 16B.312.

14.24 **Center for Rural Policy and Development.**

14.25 \$100,000 the first year is for a grant to the

14.26 Center for Rural Policy and Development.

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

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

14.29 Sec. 13. MINNESOTA MANAGEMENT AND

14.30 **BUDGET** \$ 55,356,000 \$ 58,057,000  
56,357,000

14.31 The base for this appropriation is \$47,831,000

14.32 in fiscal year 2026 and each fiscal year

14.33 thereafter.

15.1 (a) \$13,489,000 the first year and \$14,490,000  
15.2 the second year are to stabilize and secure the  
15.3 state's enterprise resource planning systems.  
15.4 This amount is available until June 30, 2027.  
15.5 The base for this appropriation is \$6,470,000  
15.6 in fiscal year 2026 and each fiscal year  
15.7 thereafter.

15.8 (b) \$1,000,000 each year is for administration  
15.9 and staffing of the Children's Cabinet  
15.10 established in Minnesota Statutes, section  
15.11 4.045.

15.12 (c) \$317,000 each year is to increase the  
15.13 agency's capacity to proactively raise  
15.14 awareness about the capital budget process  
15.15 and provide technical assistance around the  
15.16 requirements associated with the capital  
15.17 budget process and receiving general fund or  
15.18 general obligation bond funding for capital  
15.19 projects, including compliance requirements  
15.20 that must be met at various stages of capital  
15.21 project development, with particular focus on  
15.22 nonprofits, American Indian communities, and  
15.23 communities of color that have traditionally  
15.24 not participated in the state capital budget  
15.25 process. This appropriation may also be used  
15.26 to increase the agency's capacity to coordinate  
15.27 with other state agencies regarding the  
15.28 administration of grant agreements, programs,  
15.29 and technical assistance related to capital  
15.30 projects governed by the provisions of  
15.31 Minnesota Statutes, chapter 16A, and other  
15.32 applicable laws and statutes.

15.33 (d) \$2,500,000 ~~each~~ in fiscal year 2024 and  
15.34 \$800,000 in fiscal year 2025 are for  
15.35 interagency collaboration to develop data

16.1 collection standards for race, ethnicity, gender  
16.2 identity, and disability status and to develop  
16.3 a roadmap and timeline for implementation  
16.4 of the data standards across state government.  
16.5 These funds may be transferred to other  
16.6 agencies to support this work and may be used  
16.7 to update computer systems to accommodate  
16.8 revised data collection standards. This is a  
16.9 onetime appropriation and is available until  
16.10 June 30, 2027.  
  
16.11 (e) \$102,000 the first year and \$60,000 the  
16.12 second year are for the report required under  
16.13 Minnesota Statutes, section 43A.15,  
16.14 subdivision 14a, and for training and content  
16.15 development relating to ADA Title II,  
16.16 affirmative action, equal employment  
16.17 opportunity, digital accessibility, inclusion,  
16.18 disability awareness, and cultural competence.

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

16.20 **ARTICLE 2**

16.21 **STATE GOVERNMENT POLICY**

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

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

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

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

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



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

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

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

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

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

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

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

Subd. 9. **Obligation to notify the legislative auditor.** ~~The chief executive, financial, or information officers~~ (a) An obligated officer of an organization subject to audit under this section must promptly notify the legislative auditor when the officer obtains information

indicating that public money or other public resources may have been used for an unlawful purpose, or when the officer obtains information indicating that government data classified by chapter 13 as not public may have been accessed by or provided to a person without lawful authorization. As necessary, the legislative auditor shall coordinate an investigation of the allegation with appropriate law enforcement officials.

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

(1) chief executive officer;

(2) deputy and assistant chief executive officers;

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

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

and

(5) board chair, where applicable.

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

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

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

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

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

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

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

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

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

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

(2) if at the end of a term of a chief administrative law judge the incumbent chief administrative law judge is not designated as acting chief administrative law judge, or if a vacancy occurs in the position of chief administrative law judge, the deputy chief judge shall immediately become temporary chief administrative law judge without further official action.

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

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

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

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

Subd. 2a. **Administrative law judge decision final; exception.** Unless otherwise provided by law, the report or order of the administrative law judge constitutes the final

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

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

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

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

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

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

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

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

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

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

21.6 Sec. 11. **[15.0573] REPORTING ALLEGED MISUSE OF PUBLIC RESOURCES**  
21.7 **OR DATA.**

21.8 The commissioner or chief executive officer of each state department, board, commission,  
21.9 office, or other agency must ensure that employee and nonemployee concerns about the  
21.10 misuse of public money, other public resources, or government data are promptly directed  
21.11 to one or more of the obligated officers identified in section 3.971, subdivision 9, or the  
21.12 Office of the Legislative Auditor. The commissioner of management and budget must  
21.13 develop a policy to operationalize and standardize the process under this section across state  
21.14 agencies.

21.15 Sec. 12. **[15.442] LOCAL NEWS ORGANIZATION ADVERTISING BY STATE**  
21.16 **AGENCIES.**

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

21.19 (b) "Advertising" means paid communication transmitted via newspaper, magazine,  
21.20 radio, television, social media, internet, or other electronic means to make any person aware  
21.21 of information relevant to an agency or a program or public awareness campaign operated  
21.22 by an agency.

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

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

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

21.30 (2) primarily has content derived from primary sources relating to news and current  
21.31 events;

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

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

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

Subd. 2. **State agency advertising.** Beginning August 1, 2025, at least 50 percent of an agency's expenditures on advertising must be spent in local news organizations, with an emphasis on local newspapers where practicable. Advertising primarily targeted at out-of-state residents is not subject to this requirement. Nothing in this section prevents a state agency from contracting with outside vendors to conduct advertising work.

Subd. 3. **Reporting.** By February 1, 2026, and each year thereafter, all agencies must publish an annual report that includes but is not limited to:

(1) the total advertising spending by the agency;

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

(3) the total percentage of advertising spending in local newspapers; and

(4) the recipients of the advertising spending.

These reports may be published separately by each agency or as one report organized by agency. The reports must be publicly posted on agency websites and delivered to the chairs and ranking minority members of the legislative committees with jurisdiction over state government operations.

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

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

Subd. 8. **Report on budget reserve percentage.** (a) The commissioner of management and budget shall develop and annually review a methodology for evaluating the adequacy of the budget reserve based on the volatility of Minnesota's general fund tax structure. The review must take into consideration relevant statistical and economic literature. After completing the review, the commissioner may revise the methodology if necessary. The

23.1 commissioner must use the methodology to annually estimate the percentage of the current  
23.2 biennium's general fund nondedicated revenues recommended as a budget reserve.

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

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

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

23.12 (3) any additional appropriate information.

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

23.14 Subdivision 1. **Federal Assistive Technology Act.** (a) The Department of Administration  
23.15 is designated as the lead agency to carry out all the responsibilities under the 21st Century  
23.16 Assistive Technology Act of 1998, as provided by Public Law ~~108-364~~, as amended 117-263.  
23.17 The Minnesota Assistive Technology Advisory Council is established to fulfill the  
23.18 responsibilities required by the 21st Century Assistive Technology Act, as provided by  
23.19 Public Law ~~108-364~~, as amended 117-263. Because the existence of this council is required  
23.20 by federal law, this council does not expire.

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

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

23.32 (1) State Services for the Blind who has assistive technology expertise;

- 24.1 (2) vocational rehabilitation services who has assistive technology expertise;
- 24.2 (3) the Workforce Development Board; ~~and~~
- 24.3 (4) the Department of Education who has assistive technology expertise; and
- 24.4 (5) the Board on Aging.

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

24.6 Subd. 2. **Other projects.** All other capital projects for which a specific appropriation is

24.7 made, including projects that are exempt under subdivision 1, paragraph (b), must not

24.8 proceed until the recipient undertaking the project has notified the chairs and ranking minority

24.9 members of the senate Capital Investment and Finance Committees and the house of

24.10 representatives Capital Investment and Ways and Means Committees that the work is ready

24.11 to begin. Notice is not required for:

- 24.12 (1) capital projects needed to comply with the Americans with Disabilities Act;
- 24.13 (2) asset preservation projects to which section 16B.307 applies;
- 24.14 (3) projects funded by an agency's operating budget; or
- 24.15 (4) projects funded by a capital asset preservation and replacement account under section
- 24.16 16A.632, a higher education asset preservation and replacement account under section
- 24.17 135A.046, or a natural resources asset preservation and replacement account under section
- 24.18 84.946.

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

24.20 Subd. 4. **Reimbursements.** (a) Except as specifically provided otherwise by law, each

24.21 agency shall reimburse the general services revolving funds for the cost of all services,

24.22 supplies, materials, labor, and depreciation of equipment, including reasonable overhead

24.23 costs, which the commissioner is authorized and directed to furnish an agency. The cost of

24.24 all publications or other materials produced by the commissioner and financed from the

24.25 general services revolving fund must include reasonable overhead costs.

24.26 (b) The commissioner of administration shall report the rates to be charged for the general

24.27 services revolving funds no later than ~~July 1~~ September 15 each year to the chair of the

24.28 committee or division in the senate and house of representatives with primary jurisdiction

24.29 over the budget of the Department of Administration.

24.30 (c) The commissioner of management and budget shall make appropriate transfers to

24.31 the revolving funds described in this section when requested by the commissioner of



administration. The commissioner of administration may make allotments, encumbrances, and, with the approval of the commissioner of management and budget, disbursements in anticipation of such transfers. In addition, the commissioner of administration, with the approval of the commissioner of management and budget, may require an agency to make advance payments to the revolving funds in this section sufficient to cover the agency's estimated obligation for a period of at least 60 days.

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

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

**Subd. 2. Vehicles.** (a) The commissioner may direct an agency to make a transfer of a passenger motor vehicle or truck currently assigned to it. The transfer must be made to the commissioner for use in the enterprise fleet. The commissioner shall reimburse an agency whose motor vehicles have been paid for with funds dedicated by the constitution for a special purpose and which are assigned to the enterprise fleet. The amount of reimbursement for a motor vehicle is its average wholesale price as determined from the midwest edition of the National Automobile Dealers Association official used car guide.

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

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

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

- 26.1 (1) the governor;
- 26.2 (2) the lieutenant governor;
- 26.3 (3) the Division of Criminal Apprehension, the Division of Alcohol and Gambling
- 26.4 Enforcement, and arson investigators of the Division of Fire Marshal in the Department of
- 26.5 Public Safety;
- 26.6 (4) the Financial Institutions Division and investigative staff of the Department of
- 26.7 Commerce;
- 26.8 (5) the Division of Disease Prevention and Control of the Department of Health;
- 26.9 (6) the State Lottery;
- 26.10 (7) criminal investigators of the Department of Revenue;
- 26.11 (8) state-owned community service facilities in Direct Care and Treatment;
- 26.12 (9) the Office of the Attorney General;
- 26.13 (10) the investigative staff of the Gambling Control Board; and
- 26.14 (11) the Department of Corrections inmate community work crew program under section
- 26.15 352.91, subdivision 3g; and
- 26.16 (12) the Office of Ombudsman for Long-Term Care.

26.17 Sec. 18. [16B.851] STATE BUILDING RENEWABLE ENERGY; STORAGE;

26.18 ELECTRIC VEHICLE ACCOUNT.

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

26.20 the meanings given to them.

26.21 (b) "Energy storage" means the predesign, design, acquisition, construction, or installation

26.22 of technology which stores and delivers electric or thermal energy.

26.23 (c) "EVSE" means electric vehicle service equipment, including charging equipment

26.24 and associated infrastructure and site upgrades.

26.25 (d) "Renewable energy" has the meaning given in section 216B.2422, subdivision 1,

26.26 paragraph (c), and the same sources in thermal energy.

26.27 (e) "Renewable energy improvement" means the predesign, design, acquisition,

26.28 construction, or installation of a renewable energy production system or energy storage

26.29 equipment or system, and associated infrastructure and facilities that is designed to result

27.1 in a demand-side net reduction in energy use by the state building's electrical, heating,  
27.2 ventilating, air-conditioning, or hot water systems.

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

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

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

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

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

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

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

27.17 Subd. 3. **Account management.** The commissioner shall manage and administer the  
27.18 state building renewable energy, storage, and electronic vehicle account.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

29.28 (b) If, after performing the required steps in subdivision 2 and pursuant to sections  
29.29 16B.97, 16B.98, and 16B.991, and after reviewing any additional requested information  
29.30 from the grantee, the agency still has concerns that there is a substantial risk that a potential  
29.31 grantee cannot or would not perform the required duties under the grant agreement, the  
29.32 agency must either create a plan to satisfy remaining concerns with the grantee or must not  
29.33 award the grant.

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

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

(e) If, pursuant to paragraphs (a) and (b), the agency does not award a legislatively named grant, the agency must delay award of the grant until adjournment of the next regular or special legislative session for action from the legislature. The agency must provide notification to the potential grantee, the commissioner of administration, and the chairs and ranking minority members of the Ways and Means Committee in the house of representatives and the chairs and ranking minority members of the Finance Committee in the senate. The notification to the grantee must include the agency's reason for postponing or forgoing the grant, including information sufficient to explain and support the agency's decision and notify the applicant of the process for contesting the agency's decision under paragraph (d). ~~If the applicant contests the agency's decision no later than 15 business days after receiving the notice, the agency must consider any additional written information submitted by the grantee. The agency has 15 business days to consider this information, during which the agency may reverse or modify the agency's initial decision to postpone or forgo the grant.~~ The notification to the commissioner of administration and legislators must identify the legislatively named potential grantee and the agency's reason for postponing or forgoing the grant. After hearing the concerns of the agency, the legislature may reaffirm the award of the grant or reappropriate the funds to a different legislatively named grantee. Based on the action of the legislature, the agency must award the grant to the legislatively named grantee. If the legislature does not provide direction to the agency on the disposition of the grant, the funds revert to the original appropriation source.

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

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

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

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

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

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

31.14 (3) requires mandatory arbitration;

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

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

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

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

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

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

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

31.24 Subd. 2. **Report Evaluation.** (a) The commissioner of administration, in collaboration  
31.25 with the commissioners of the Pollution Control Agency, the Departments of Agriculture,  
31.26 Commerce, Natural Resources, and Transportation, and other state departments, must  
31.27 evaluate the goals and directives established in this section and report include their findings  
31.28 to the governor and the appropriate committees of the legislature by February 1 of each  
31.29 odd-numbered year in the public dashboard under section 16B.372. In the report public  
31.30 dashboard, the commissioner must make recommendations for new or adjusted goals,

32.1 directives, or legislative initiatives, in light of the progress the state has made implementing  
32.2 this section and the availability of new or improved technologies.

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

32.6 Sec. 26. Minnesota Statutes 2024, section 16C.16, subdivision 6, is amended to read:

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

32.9 (b) The commissioner may award a contract for goods, services, or construction directly  
32.10 to a small business or small targeted group business without going through a competitive  
32.11 solicitation process up to a total contract award value, including extension options, of  
32.12 \$100,000.

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

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

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

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



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

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

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

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

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

Sec. 28. Minnesota Statutes 2024, section 16C.16, subdivision 7, is amended to read:

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

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

(c) The commissioner may designate a purchase of goods or services for award only to a small business located in an economically disadvantaged area if the commissioner

34.1 determines that at least three small businesses located in an economically disadvantaged  
34.2 area are likely to respond to a solicitation.

34.3 (d) The commissioner, as a condition of awarding a construction contract or approving  
34.4 a contract for professional or technical services, may set goals that require the prime  
34.5 contractor to subcontract a portion of the contract to a small business located in an  
34.6 economically disadvantaged area. The commissioner must establish a procedure for granting  
34.7 waivers from the subcontracting requirement when qualified small businesses located in an  
34.8 economically disadvantaged area are not reasonably available. The commissioner may  
34.9 establish financial incentives for prime contractors who exceed the goals for use of  
34.10 subcontractors that are small businesses located in an economically disadvantaged area and  
34.11 financial penalties for prime contractors who fail to meet goals under this paragraph. ~~The~~  
34.12 ~~subcontracting requirements of this paragraph do not apply to prime contractors who are~~  
34.13 ~~small businesses located in an economically disadvantaged area.~~

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

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

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

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

34.21 (f) The commissioner may designate one or more areas designated as targeted  
34.22 neighborhoods under section 469.202 or as border city enterprise zones under section  
34.23 469.166 as economically disadvantaged areas for purposes of this subdivision if the  
34.24 commissioner determines that this designation would further the purposes of this section.  
34.25 If the owner of a small business resides or is employed in a designated area, the small  
34.26 business is eligible for any preference provided under this subdivision.

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

35.1 Sec. 29. Minnesota Statutes 2024, section 16D.09, subdivision 1, is amended to read:

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

35.12 (b) Uncollectible debt must be reported by the state agency as part of its quarterly reports  
35.13 to the commissioner of management and budget. The basis for the determination of the  
35.14 uncollectibility of the debt must be maintained by the state agency. If an uncollectible debt  
35.15 equals or exceeds \$100,000, the agency shall notify the chairs and ranking minority members  
35.16 of the legislative committees with jurisdiction over the state agency's budget at the time the  
35.17 debt is determined to be uncollectible. The information reported shall contain the entity  
35.18 associated with the uncollected debt, the amount of the debt, the revenue type, the reason  
35.19 the debt is considered uncollectible, and the duration the debt has been outstanding. The  
35.20 commissioner of management and budget shall report to the chairs and ranking minority  
35.21 members of the legislative committees with jurisdiction over Minnesota Management and  
35.22 Budget an annual summary of the number and dollar amount of debts determined to be  
35.23 uncollectible during the previous fiscal year by ~~October 31~~ November 30 of each year.  
35.24 Determining that the debt is uncollectible does not cancel the legal obligation of the debtor  
35.25 to pay the debt.

35.26 Sec. 30. Minnesota Statutes 2024, section 43A.231, subdivision 3, is amended to read:

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

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

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

(1) common definitions;

(2) prescription drug classifications;

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

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

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

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

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

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

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

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

Sec. 31. Minnesota Statutes 2024, section 43A.231, subdivision 4, is amended to read:

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

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

(2) automatically adjudicate prescription drug claims; and

(3) collect data on pharmacy reimbursement.

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

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

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

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

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

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

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

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

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

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

(1) a pharmacy benefit manager;

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

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

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

Sec. 32. Minnesota Statutes 2024, section 43A.231, subdivision 6, is amended to read:

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

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

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

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

39.1 Sec. 33. Minnesota Statutes 2024, section 43A.27, subdivision 3, is amended to read:

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

39.4 (1) a retired employee of the state or an organization listed in subdivision 2 or section  
39.5 43A.24, subdivision 2, who, at separation of service:

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

39.8 (ii) immediately meets the age and service requirements in section 352.115, subdivision  
39.9 1; and

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

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

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

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

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

39.25 ~~(d)~~ (e) Coverages must be coordinated with relevant health insurance benefits provided  
39.26 through the federally sponsored Medicare program. Until the retired employee reaches age  
39.27 65, the retired employee and dependents must be pooled in the same group as active  
39.28 employees for purposes of establishing premiums and coverage for hospital, medical, and  
39.29 dental insurance. Coverage for retired employees and their dependents may not discriminate  
39.30 on the basis of evidence of insurability or preexisting conditions unless identical conditions  
39.31 are imposed on active employees in the group that the employee left. Appointing authorities  
39.32 shall provide notice to employees no later than the effective date of their retirement of the  
39.33 right to exercise the option provided in this subdivision. The retired employee must notify

40.1 the commissioner or designee of the commissioner within 30 days after the effective date  
40.2 of the retirement of intent to exercise this option.

40.3 Sec. 34. Minnesota Statutes 2024, section 240.131, subdivision 7, is amended to read:

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

40.13 (b) A breeders fund fee is imposed in the amount of one-quarter of one percent of all  
40.14 amounts wagered by Minnesota residents with an authorized advance deposit wagering  
40.15 provider. The fee shall be declared on a form prescribed by the commission. The ADW  
40.16 provider must pay the fee to the commission no more than 15 days after the end of the month  
40.17 in which the wager was made. Fees collected under this paragraph must be deposited in the  
40.18 state treasury and credited to a racing and card-playing regulation account in the special  
40.19 revenue fund and are appropriated to the commission to offset the cost of administering the  
40.20 breeders fund, to support racehorse adoption, retirement, and repurposing, and promote  
40.21 horse breeding in Minnesota.

40.22 Sec. 35. Minnesota Statutes 2024, section 349A.01, is amended by adding a subdivision  
40.23 to read:

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

40.27 Sec. 36. Minnesota Statutes 2024, section 349A.06, subdivision 2, is amended to read:

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

40.30 (1) is under the age of 18;

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



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

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

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

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

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

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

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

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

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

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

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

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

41.30 (c) ~~The restrictions under paragraph (a), clause (4), do not apply to an organization,~~  
41.31 ~~partnership, or corporation if the director determines that the organization, partnership, or~~

42.1 ~~firm has terminated its relationship with the individual whose actions directly contributed~~  
42.2 ~~to the disqualification under this subdivision.~~

42.3 Sec. 37. Minnesota Statutes 2024, section 349A.06, subdivision 11, is amended to read:

42.4 Subd. 11. **Cancellation, suspension, and refusal to renew contracts or locations.** (a)

42.5 The director shall cancel the contract of any lottery retailer or prohibit a lottery retailer from  
42.6 selling lottery tickets at a business location who:

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

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

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

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

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

42.16 (1) changes business location;

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

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

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

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

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

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

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

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

42.29 (d) A contract cancellation, suspension, refusal to renew, or prohibiting a lottery retailer  
42.30 from selling lottery tickets at a business location under this subdivision is a contested case

43.1 under sections 14.57 to 14.69 and is in addition to any criminal penalties provided for a  
43.2 violation of law or rule.

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

43.11 Sec. 38. **REVISOR INSTRUCTION.**

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

43.16 Sec. 39. **REPEALER.**

43.17 Subdivision 1. **Political and campaign provisions.** Minnesota Statutes 2024, sections  
43.18 211B.06; and 211B.08, are repealed.

43.19 Subd. 2. **Model ordinance for outdoor lighting.** Minnesota Statutes 2024, section  
43.20 16B.328, subdivision 2, is repealed.

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

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

43.24 **ARTICLE 3**

43.25 **STATE PERSONNEL MANAGEMENT**

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

43.27 Subd. 3. **Equitable compensation relationships.** It is the policy of this state ~~to attempt~~  
43.28 to establish equitable compensation relationships between female-dominated,  
43.29 male-dominated, and balanced classes of employees in the executive branch. Compensation  
43.30 relationships are equitable within the meaning of this subdivision when the primary  
43.31 consideration in negotiating, establishing, recommending, and approving total compensation

44.1 is comparability of the value of the work in relationship to other ~~positions~~ classifications  
44.2 in the executive branch.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(5) procedures for pilots of the reengineered employee selection process. Employment provisions of this chapter, associated personnel rules adopted under subdivision 3, and administrative procedures established under clauses (1) and (3) may be waived for the purposes of these pilots. The pilots may affect the rights of and processes available to members of the general public seeking employment in the classified service. The commissioner will provide public notice of any pilot directly affecting the rights of and

processes available to the general public and make the administrative procedures available for comment to the general public, agencies, employees, and appropriate exclusive representatives certified pursuant to sections 179A.01 to 179A.25 for at least 30 days prior to implementation. The commissioner must publish the public notice in an accessible digital format under section 16E.03. The commissioner must provide a comment process that allows the public to submit comments through multiple formats to ensure accessibility. These formats must include telephone, digital content, and email.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

48.2 **43A.121 RANKING OF THE APPLICANT POOL.**

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

48.9 Sec. 11. Minnesota Statutes 2024, section 43A.15, subdivision 3, is amended to read:

48.10 Subd. 3. **Temporary appointments.** The commissioner may authorize an appointing  
48.11 authority to make a temporary appointment of up to ~~six months~~ one year. ~~The commissioner~~  
48.12 ~~may, in the best interest of the state, grant an extension of a temporary appointment or~~  
48.13 ~~approve a temporary appointment to fill a vacancy created by an approved leave of absence~~  
48.14 ~~to a maximum period of one year.~~ When practicable, the appointing authority may search  
48.15 ~~the employment database for qualified applicants~~ or, when necessary, the commissioner  
48.16 may authorize the appointment of any person deemed qualified by the appointing authority.

48.17 No person shall be employed on a temporary basis in any one agency for more than 12  
48.18 months in any 24-month period.

48.19 Sec. 12. Minnesota Statutes 2024, section 43A.15, subdivision 4, is amended to read:

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

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

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



49.1 Sec. 13. Minnesota Statutes 2024, section 43A.15, subdivision 7, is amended to read:

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

49.6 Sec. 14. Minnesota Statutes 2024, section 43A.15, subdivision 12, is amended to read:

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

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

49.11 Subd. 14. **700-hour on-the-job demonstration experience.** (a) The commissioner shall  
49.12 consult with the Department of Employment and Economic Development's Vocational  
49.13 Rehabilitation Services and State Services for the Blind and other disability experts in  
49.14 establishing, reviewing, and modifying the qualifying procedures for applicants whose  
49.15 disabilities are of such a significant nature that the applicants are unable to demonstrate  
49.16 their abilities in the selection process. The qualifying procedures must consist of up to 700  
49.17 hours of on-the-job demonstration experience. The 700-hour on-the-job demonstration  
49.18 experience is an alternative, noncompetitive hiring process for qualified applicants with  
49.19 disabilities. All permanent executive branch classified positions are eligible for a 700-hour  
49.20 on-the-job demonstration experience, and all permanent classified job postings must provide  
49.21 information regarding the on-the-job demonstration overview and certification process.

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

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

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

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

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

Sec. 16. Minnesota Statutes 2024, section 43A.17, subdivision 5, is amended to read:

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

Sec. 17. Minnesota Statutes 2024, section 43A.181, subdivision 1, is amended to read:

Subdivision 1. **Donation of vacation time.** A state employee may donate up to 12 hours of accrued vacation time in any fiscal year to the account established by subdivision 2 for the benefit of another state employee. ~~The employee must notify the employee's agency head of the amount of accrued vacation time the employee wishes to donate and the name~~

51.1 ~~of the other state employee who is to benefit from the donation. The agency head shall~~  
51.2 ~~determine the monetary value of the donated time, using the gross salary of the employee~~  
51.3 ~~making the donation. The agency head shall transfer that amount, less deductions for~~  
51.4 ~~applicable taxes and retirement contributions, to the account established by subdivision 2.~~  
51.5 A donation of accrued vacation time is irrevocable once its monetary value has been  
51.6 transferred to the account.

51.7 Sec. 18. Minnesota Statutes 2024, section 43A.1815, is amended to read:

51.8 **43A.1815 VACATION DONATION TO SICK LEAVE ACCOUNT.**

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

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

51.17 ~~(b)~~ (c) The recipient employee must receive donations, as available, for a life-threatening  
51.18 condition of the employee or spouse or dependent child that prevents the employee from  
51.19 working. A recipient may use program donations retroactively to when all forms of paid  
51.20 leave are exhausted if the employee has sufficient donations to cover the period of  
51.21 retroactivity. A recipient who receives program donations under this section may use up to  
51.22 80 hours of program donations after the death of a spouse or dependent child.

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

51.26 ~~(d)~~ (e) The commissioner shall establish procedures under section 43A.04, subdivision  
51.27 4, for eligibility, duration of need based on individual cases, monitoring and evaluation of  
51.28 individual eligibility status, and other topics related to administration of this program.

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

51.30 Subdivision 1. **Statewide affirmative action program.** (a) To assure that positions in  
51.31 the executive branch of the civil service are equally accessible to all qualified persons, and  
51.32 to eliminate the effects of past and present discrimination, intended or unintended, on the

52.1 basis of protected group status, the commissioner shall adopt and periodically revise, if  
52.2 necessary, a statewide affirmative action program. The statewide affirmative action program  
52.3 must consist of at least the following:

52.4 (1) objectives, goals, and policies;

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

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

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

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

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

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

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

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

52.25 (1) the extent of unemployment of members of protected classes in the recruiting area  
52.26 population;

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

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

52.30 (d) The commissioner shall designate a state director of diversity and equal employment  
52.31 opportunity who may be delegated the preparation, revision, implementation, and  
52.32 administration of the program. The commissioner of management and budget may place

53.1 the director's position in the unclassified service if the position meets the criteria established  
53.2 in section 43A.08, subdivision 1a.

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

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

53.17 Sec. 20. Minnesota Statutes 2024, section 43A.23, subdivision 1, is amended to read:

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

53.29 (b) All self-insured hospital and medical service products must comply with coverage  
53.30 mandates, data reporting, and consumer protection requirements applicable to the licensed  
53.31 carrier administering the product, had the product been insured, including chapters 62J,  
53.32 62M, and 62Q. Any self-insured products that limit coverage to a network of providers or  
53.33 provide different levels of coverage between network and nonnetwork providers shall comply

with section 62D.123 and geographic access standards for health maintenance organizations adopted by the commissioner of health in rule under chapter 62D.

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

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

Sec. 21. Minnesota Statutes 2024, section 43A.23, subdivision 2, is amended to read:

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

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

Sec. 22. Minnesota Statutes 2024, section 43A.24, subdivision 1a, is amended to read:

Subd. 1a. **Opt out.** (a) An individual eligible for state-paid hospital, medical, and dental benefits under this section has the right to decline those benefits, provided the individual declining the benefits can prove health insurance coverage from another source. Any individual declining benefits must do so in writing, signed and dated, on a form provided by the commissioner.

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

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

Sec. 23. Minnesota Statutes 2024, section 43A.24, subdivision 2, is amended to read:

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

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

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

(3) a judge of the appellate courts or an officer or employee of these courts; a judge of the district court, a judge of county court, or a judge of county municipal court; a district court referee, judicial officer, court reporter, or law clerk; a district administrator; an

56.1 employee of the Office of the District Administrator that is not in the Second or Fourth  
56.2 Judicial District; a court administrator or employee of the court administrator in a judicial  
56.3 district under section 480.181, subdivision 1, paragraph (b), and a guardian ad litem program  
56.4 employee;

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

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

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

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

56.11 ~~(8)~~ (7) notwithstanding section 43A.27, subdivision 3, an employee of the state of  
56.12 Minnesota or the regents of the University of Minnesota who is at least 60 and not yet 65  
56.13 years of age on July 1, 1982, who is otherwise eligible for employee and dependent insurance  
56.14 and benefits pursuant to section 43A.18 or other law, who has at least 20 years of service  
56.15 and retires, earlier than required, within 60 days of March 23, 1982; or an employee who  
56.16 is at least 60 and not yet 65 years of age on July 1, 1982, who has at least 20 years of state  
56.17 service and retires, earlier than required, from employment at Rochester state hospital after  
56.18 July 1, 1981; or an employee who is at least 55 and not yet 65 years of age on July 1, 1982,  
56.19 and is covered by the Minnesota State Retirement System correctional employee retirement  
56.20 plan or the State Patrol retirement fund, who has at least 20 years of state service and retires,  
56.21 earlier than required, within 60 days of March 23, 1982. For purposes of this clause, a person  
56.22 retires when the person terminates active employment in state or University of Minnesota  
56.23 service and applies for a retirement annuity. Eligibility shall cease when the retired employee  
56.24 attains the age of 65, or when the employee chooses not to receive the annuity that the  
56.25 employee has applied for. The retired employee shall be eligible for coverages to which the  
56.26 employee was entitled at the time of retirement, subject to any changes in coverage through  
56.27 collective bargaining or plans established pursuant to section 43A.18, for employees in  
56.28 positions equivalent to that from which retired, provided that the retired employee shall not  
56.29 be eligible for state-paid life insurance. Coverages shall be coordinated with relevant health  
56.30 insurance benefits provided through the federally sponsored Medicare program;

56.31 ~~(9)~~ (8) an employee of an agency of the state of Minnesota identified through the process  
56.32 provided in this paragraph who is eligible to retire prior to age 65. The commissioner and  
56.33 the exclusive representative of state employees shall enter into agreements under section  
56.34 179A.22 to identify employees whose positions are in programs that are being permanently



57.1 eliminated or reduced due to federal or state policies or practices. Failure to reach agreement  
 57.2 identifying these employees is not subject to impasse procedures provided in chapter 179A.  
 57.3 The commissioner must prepare a plan identifying eligible employees not covered by a  
 57.4 collective bargaining agreement in accordance with the process outlined in section 43A.18,  
 57.5 subdivisions 2 and 3. For purposes of this paragraph, a person retires when the person  
 57.6 terminates active employment in state service and applies for a retirement annuity. Eligibility  
 57.7 ends as provided in the agreement or plan, but must cease at the end of the month in which  
 57.8 the retired employee chooses not to receive an annuity, or the employee is eligible for  
 57.9 employer-paid health insurance from a new employer. The retired employees shall be eligible  
 57.10 for coverages to which they were entitled at the time of retirement, subject to any changes  
 57.11 in coverage through collective bargaining or plans established under section 43A.18 for  
 57.12 employees in positions equivalent to that from which they retired, provided that the retired  
 57.13 employees shall not be eligible for state-paid life insurance;

57.14 ~~(40)~~ (9) employees of the state Board of Public Defense, with eligibility determined by  
 57.15 the state Board of Public Defense in consultation with the commissioner of management  
 57.16 and budget; and

57.17 ~~(44)~~ (10) employees of supporting organizations of Enterprise Minnesota, Inc., established  
 57.18 after July 1, 2003, under section 116O.05, subdivision 4, as paid for by the supporting  
 57.19 organization.

57.20 Sec. 24. Minnesota Statutes 2024, section 43A.27, subdivision 2, is amended to read:

57.21 Subd. 2. **Elective eligibility.** The following persons, if not otherwise covered by section  
 57.22 43A.24, may elect coverage for themselves or their dependents at their own expense:

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

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

57.28 ~~(3)~~ (2) an officer or employee of the State Agricultural Society, Center for Rural Policy  
 57.29 and Development, Agricultural Utilization Research Institute, State Horticultural Society,  
 57.30 Sibley House Association, Minnesota Humanities Center Commission, Minnesota Area  
 57.31 Industry Labor Management Councils, Minnesota International Center, Minnesota Academy  
 57.32 of Science, Science Museum of Minnesota, Minnesota Safety Council, state Office of  
 57.33 Disabled American Veterans, state Office of the American Legion and its auxiliary, state

58.1 Office of Veterans of Foreign Wars and its auxiliary, or state Office of the Military Order  
58.2 of the Purple Heart;

58.3 ~~(4)~~ (3) a civilian employee of the adjutant general who is paid from federal funds and  
58.4 who is not eligible for benefits from any federal civilian employee group life insurance or  
58.5 health benefits program;

58.6 ~~(5)~~ (4) an officer or employee of the ~~State Capitol~~ Affinity Plus Federal Credit Union  
58.7 ~~or the Highway Credit Union~~; and

58.8 ~~(6)~~ (5) an employee of the joint underwriting association pursuant to section 62I.121 or  
58.9 Minnesota FAIR plan pursuant to section 65A.35, subdivision 5, unless the commissioner  
58.10 determines that making these employees eligible to purchase this coverage would cause the  
58.11 state employee group insurance program to lose its status as a governmental plan or would  
58.12 cause the program to be treated as a multiemployer welfare arrangement.

58.13 Sec. 25. Minnesota Statutes 2024, section 43A.33, subdivision 3, is amended to read:

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

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

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

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

Sec. 26. Minnesota Statutes 2024, section 43A.346, subdivision 2, is amended to read:

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

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

(2) terminated state or Metropolitan Council employment;

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

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

(b) For purposes of this section, an unreduced retirement annuity includes a retirement annuity computed under a provision of law which permits retirement, without application

of an earlier retirement reduction factor, whenever age plus years of allowable service total at least 90.

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

Sec. 27. Minnesota Statutes 2024, section 43A.346, subdivision 6, is amended to read:

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

Sec. 28. Minnesota Statutes 2024, section 43A.36, subdivision 1, is amended to read:

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

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

(c) The head of each agency in the executive branch shall designate an agency personnel officer. The agency personnel officer shall be accountable to the agency head for all personnel functions prescribed by laws, rules, collective bargaining agreements, the commissioner and the agency head. Except when otherwise prescribed by the agency head in a specific

61.1 instance, the personnel officer shall be assumed to be the authority accountable to the agency  
61.2 head over any other officer or employee in the agency for personnel functions.

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

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

61.11 Sec. 29. Minnesota Statutes 2024, section 43A.421, is amended to read:

61.12 **43A.421 SUPPORTED WORK CUSTOMIZED EMPLOYMENT PROGRAM.**

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

61.30 Subd. 2. ~~Responsibilities~~ **Customized employment.** (a) The commissioner is responsible  
61.31 for the administration and oversight of the ~~supported work~~ customized employment program,  
61.32 including the establishment of policies and procedures, eligibility, data collection and  
61.33 reporting requirements, and compliance.

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

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

Sec. 30. **REPEALER.**

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

**ARTICLE 4**  
**LICENSING BOARDS**

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

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

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

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

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

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

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

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

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

63.6 (i) student orientation;

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

63.8 (A) muscle and bone structure and function;

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

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

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

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

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

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

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

63.20 (vi) health and safety instruction that includes:

63.21 (A) chemical safety;

63.22 (B) safety data sheets;

63.23 (C) personal protective equipment (PPE);

63.24 (D) hazardous substances; and

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

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

63.28 (A) disinfectants;

63.29 (B) disinfectant procedures;

64.1 (C) cleaning and disinfection;

64.2 (D) single use items;

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

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

64.5 (2) 300 hours in hair cutting and styling that includes hair and scalp analysis; ~~providing~~  
64.6 ~~services to individuals who have all hair types and textures, including coil, curl, or wave~~  
64.7 ~~patterns, hair strand thicknesses, and volumes of hair; cleaning;~~ scalp and hair conditioning;  
64.8 hair design and shaping; drying; arranging; curling; dressing; waving; and nonchemical  
64.9 straightening; and

64.10 (3) 300 hours in chemical hair services that includes hair and scalp analysis; ~~providing~~  
64.11 ~~services to individuals with all hair types and textures, including coil, curl, or wave patterns,~~  
64.12 ~~hair strand thicknesses, and volumes of hair;~~ dying; bleaching; reactive chemicals; keratin;  
64.13 hair coloring; permanent straightening; permanent waving; predisposition and strand  
64.14 tests; safety precautions; chemical mixing; color formulation; and the use of dye removers.

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

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

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

64.20 (2) hair strand thicknesses; and

64.21 (3) volumes.

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

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

64.26 **326.05 QUALIFICATIONS OF BOARD MEMBERS.**

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



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

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

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

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

65.11 (2) To any person who holds an unexpired certificate of registration or license issued  
65.12 by proper authority in the District of Columbia, any state or territory of the United States,  
65.13 or any foreign country, in which the requirements for registration or licensure of architects,  
65.14 engineers, land surveyors, landscape architects, geoscientists, or certified interior designers,  
65.15 respectively, at the time of registration or licensure in the other jurisdiction, were ~~equal, in~~  
65.16 ~~the opinion of the board,~~ substantially equivalent as established in rules by the board to  
65.17 those fixed by the board and by the laws of this state, and in which similar privileges are  
65.18 extended to the holders of certificates of registration or licensure issued by this state. The  
65.19 board may require such person to submit a certificate of technical qualification from the  
65.20 National Council of Architectural Registration Boards in the case of an architect, from the  
65.21 National Council of Examiners for Engineering and Surveying in the case of an engineer,  
65.22 from the Council of Landscape Architectural Registration Boards in the case of a landscape  
65.23 architect, and from the National Council for Interior Design Qualification in the case of a  
65.24 certified interior designer.

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

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

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

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

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

66.2 Subd. 10. **Temporary military license.** The board shall establish a temporary license  
66.3 in accordance with section 197.4552 for the practice of architecture, professional engineering,  
66.4 geosciences, land surveying, landscape architecture, and interior design. The fee for the  
66.5 temporary license under this subdivision for the practice of architecture, professional  
66.6 engineering, geosciences, land surveying, landscape architecture, or interior design is ~~\$132~~  
66.7 \$0.

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

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

66.17 (b) Service of the order is effective if the order is served on the person or counsel of  
66.18 record personally or by certified mail to the most recent address provided to the board for  
66.19 the person or counsel of record. Service of the order must be by first class United States  
66.20 mail, including certified United States mail, or overnight express mail service with the  
66.21 postage prepaid and addressed to the party at the party's last known address. Service by  
66.22 United States mail, including certified mail, is complete upon placing the order in the mail  
66.23 or otherwise delivering the order to the United States mail service. Service by overnight  
66.24 express mail service is complete upon delivering the order to an authorized agent of the  
66.25 express mail service.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

69.3 (d) All hearings required by this section shall be conducted in accordance with chapter  
69.4 14, except with respect to temporary suspension orders, as provided for in subdivision 5,  
69.5 paragraph (d).

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

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

69.13 (b) Service of the order ~~is effective if the order is served on the licensee or counsel of~~  
69.14 ~~record personally or by certified mail, to the most recent address provided to the board for~~  
69.15 ~~the licensee or counsel of record.~~ must be by first class United States mail, including certified  
69.16 United States mail, or overnight express mail service with postage prepaid and addressed  
69.17 to the party at the party's last known address. Service by United States mail, including  
69.18 certified mail, is complete upon placing the order in the mail or otherwise delivering the  
69.19 order to the United States mail service. Service by overnight express mail service is complete  
69.20 upon delivering the order to an authorized agent of the express mail service.

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

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

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

70.1 1400.8100, subpart 3. The board shall issue a final order within 30 days after receipt of that  
70.2 report and any exceptions to it.

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

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

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

70.12 Subd. 6. **Certificate; required education and experience until July 1, 2030.** (a) On  
70.13 or after July 1, 2006, and before July 1, 2030, a person who has passed the examination  
70.14 required in this section must be granted a certificate as a certified public accountant provided:  
70.15 (1) the person certifies to the board that the person has completed at least 150 semester or  
70.16 225 quarter hours at a college or university that is fully accredited by a recognized accrediting  
70.17 agency listed with the United States Department of Education, or an equivalent accrediting  
70.18 association, and has completed at least one year of experience of the type specified in  
70.19 paragraph (b); (2) the board verifies the certifications; and (3) the person complies with  
70.20 requirements for initial issuance of the certificate as a certified public accountant as  
70.21 prescribed by the board by rule.

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

70.30 (c) This section expires July 1, 2030.

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

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

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

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

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

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

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

71.18 (b) Acceptable experience includes providing any type of service or advice that involves  
71.19 accounting, attest, compilation, management advisory, financial advisory, tax, or consulting  
71.20 skills, as verified by a licensee and meeting requirements prescribed by the board by rule.  
71.21 Acceptable experience may be gained through employment in government, industry,  
71.22 academia, or public practice. Experience as an auditor in the Office of the Legislative Auditor  
71.23 or the Office of the State Auditor, as verified by a licensee, is acceptable experience.

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

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

71.28 (1) all requirements under subdivision 6; or

71.29 (2) all requirements under subdivision 6a.

71.30 (b) This section expires July 1, 2030.

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

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

72.2 **326A.14 SUBSTANTIAL-EQUIVALENCY MOBILITY.**

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

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

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

72.15 (3) has passed the Uniform CPA Examination.

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

72.21 ~~(b) An individual whose principal place of business is not in this state and who holds a~~  
72.22 ~~valid license in good standing as a certified public accountant from any state whose certified~~  
72.23 ~~public accountant licensure qualifications, upon verification, are not substantially equivalent~~  
72.24 ~~with the licensure requirements of section 326A.03, subdivisions 3, 4, and 6, shall be~~  
72.25 ~~presumed to have qualifications substantially equivalent to this state's requirements and~~  
72.26 ~~shall have all the privileges of licensees of this state without the need to obtain a license if~~  
72.27 ~~the individual obtains verification, as specified in board rule, that the individual's~~  
72.28 ~~qualifications are substantially equivalent to the licensure requirements of section 326A.03,~~  
72.29 ~~subdivisions 3, 4, and 6. For purposes of this paragraph, any individual who passed the~~  
72.30 ~~Uniform CPA Examination and holds a valid license issued by any other state prior to~~  
72.31 ~~January 1, 2009, is exempt from the education requirement in section 326A.03, subdivision~~  
72.32 ~~6, paragraph (a), provided the individual meets the education requirement in section 326A.03,~~  
72.33 ~~subdivision 3. Notwithstanding any contrary provision of this chapter, an individual who~~  
72.34 ~~offers or renders professional services, whether in person, by mail, telephone, or electronic~~



73.1 ~~means, under this paragraph: (1) shall, after the verification specified by adopted rules, be~~  
73.2 ~~granted practice privileges in this state; (2) is subject to the requirements in paragraph (e);~~  
73.3 ~~and (3) is not required to provide any notice or other submission.~~

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

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

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

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

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

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

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

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

73.25 Sec. 17. **REPEALER.**

73.26 Subdivision 1. **Board of Public Accountants.** Minnesota Rules, part 1105.7900, item  
73.27 D, is repealed.

73.28 Subd. 2. **Board of Cosmetologist Examiners.** Laws 2024, chapter 120, article 3, section  
73.29 2, is repealed.

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

74.1 **ARTICLE 5**

74.2 **MINNESOTA BUSINESS FILING FRAUD PREVENTION ACT**

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

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

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

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

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

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

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

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

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

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

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

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

74.24 (1) was not authorized to be filed; and

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

74.28 (b) A declaration of wrongful filing must include:

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

- 75.1 (2) the complainant's name, mailing address, and email address;
- 75.2 (3) whether the complainant is employed by or has an ownership interest in the business
- 75.3 that is the subject of the filing;
- 75.4 (4) any information or evidence supporting the complainant's allegations under this
- 75.5 section;
- 75.6 (5) a statement verifying the complainant believes in good faith that the facts stated in
- 75.7 the declaration are true; and
- 75.8 (6) any other information the office deems necessary.
- 75.9 (c) The office must provide a form for declarations filed under this section. A complainant
- 75.10 must use the provided form when submitting a declaration of wrongful filing.
- 75.11 (d) A false material statement of fact in a declaration of wrongful filing or any other
- 75.12 document submitted under sections 300.70 to 300.78 is a violation of section 609.48.
- 75.13 Subd. 2. **Review of declaration.** (a) The office must promptly accept or reject a
- 75.14 declaration of wrongful filing.
- 75.15 (b) The office may reject a declaration of wrongful filing that is incomplete, does not
- 75.16 use the provided form, or the office reasonably believes was delivered with the intent to
- 75.17 harass or defraud the filer. The office may reject a declaration of wrongful filing if the office
- 75.18 has already issued a final order on the filing identified in the declaration.
- 75.19 Subd. 3. **Nonexclusive remedy.** The remedy in sections 300.70 to 300.78 is not exclusive.
- 75.20 An aggrieved party may seek district court action regardless of whether the individual has
- 75.21 initiated or completed the procedure described in these sections.
- 75.22 Sec. 5. **[300.72] NOTICE.**
- 75.23 (a) When the office accepts a declaration of wrongful filing, the office must provide
- 75.24 notice of the declaration to the complainant and the filer. The notice must describe the
- 75.25 allegations made in the declaration and the process used to resolve the allegations. The
- 75.26 notice must prominently state the response timeline in section 300.73 and the consequences
- 75.27 if the filer does not respond. The notice must prominently state that a false statement of
- 75.28 material fact in any documents submitted under sections 300.70 to 300.78 is a violation of
- 75.29 section 609.48.
- 75.30 (b) The office must send the notice by first class mail, postage prepaid, to:
- 75.31 (1) the complainant at the mailing address provided in the declaration; and

76.1 (2) to the filer at:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

77.20 Sec. 9. **[300.76] FINAL ORDER.**

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

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

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

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

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

77.31 (3) retain a copy of the final order.

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

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

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

78.5 Subd. 2. **Filings deemed not fraudulent or insufficient evidence.** If the office  
78.6 determines that a filing is not fraudulent or that insufficient information is available to make  
78.7 a determination, the office must issue a final order stating that the office is not removing  
78.8 the filing from the database. The final order must provide the office's rationale for  
78.9 determining that the filing is not fraudulent or that insufficient information is available to  
78.10 make a determination.

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

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

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

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

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

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

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

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

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

79.8 Subd. 2. **Data classification.** Data submitted by a complainant or filer under sections  
79.9 300.70 to 300.78 is classified as nonpublic data or private data on individuals. A final order  
79.10 under section 300.76 is public data, subject to the following: the complainant or filer's  
79.11 personal contact information is classified as private data on individuals. The unredacted  
79.12 version of a filing deemed fraudulent pursuant to a final order under section 300.76,  
79.13 subdivision 1, is classified as nonpublic data or private data on individuals. The version of  
79.14 the filing that has been redacted pursuant to section 300.76, subdivision 1, paragraph (c),  
79.15 is classified as public data.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



- 81.1 (3) in any writing made according to section 358.115;
- 81.2 (4) in any writing made according to section 358.116; ~~or~~
- 81.3 (5) in any writing made according to sections 300.70 to 300.78; or
- 81.4 ~~(5)~~ (6) in any other case in which the penalties for perjury are imposed by law and no
- 81.5 specific sentence is otherwise provided.

81.6 Sec. 14. **RULEMAKING.**

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

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

81.11 Sec. 15. **EFFECTIVE DATE.**

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

81.13 **ARTICLE 6**

81.14 **BUSINESS FILING FEES**

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

81.16 **302A.153 EFFECTIVE DATE OF ARTICLES.**

- 81.17 Articles of incorporation are effective and corporate existence begins when the articles
- 81.18 of incorporation are filed with the secretary of state accompanied by a payment of ~~\$135~~
- 81.19 \$145, which includes a ~~\$100~~ \$110 incorporation fee in addition to the \$35 filing fee required
- 81.20 by section 302A.011, subdivision 11. Articles of amendment are effective when filed with
- 81.21 the secretary of state or at another time within 30 days after filing if the articles of amendment
- 81.22 so provide. Articles of merger must be accompanied by a fee of \$60, which includes a \$25
- 81.23 merger fee in addition to the \$35 filing fee required by section 302A.011, subdivision 11.

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

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

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

82.2 **303.21 FEES.**

82.3 Subd. 3. **Other instruments.** A fee of \$50 shall be paid to the secretary of state for filing  
82.4 any instrument, other than the application for certificate of authority required by section  
82.5 303.06 and the annual ~~report~~ renewal required by section 303.14, required or permitted to  
82.6 be filed under the provisions of this chapter. The fees shall be paid at the time of the filing  
82.7 of the instrument.

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

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

82.10 (b) The fee for filing the articles with the secretary of state is ~~\$60~~ \$65.

82.11 Sec. 5. Minnesota Statutes 2024, section 308B.215, subdivision 2, is amended to read:

82.12 Subd. 2. **Filing.** The original articles shall be filed with the secretary of state. The fee  
82.13 for filing the articles with the secretary of state is ~~\$60~~ \$65.

82.14 Sec. 6. Minnesota Statutes 2024, section 317A.151, subdivision 2, is amended to read:

82.15 Subd. 2. **Effective date.** Articles of incorporation are effective and corporate existence  
82.16 begins when the articles of incorporation are filed with the secretary of state accompanied  
82.17 by a payment of ~~\$70~~ \$75, which includes a ~~\$35~~ \$40 incorporation fee in addition to the \$35  
82.18 filing fee required by section 317A.011, subdivision 8. Articles of amendment are effective  
82.19 when filed with the secretary of state or at another time within 31 days after filing if the  
82.20 articles of amendment so provide.

82.21 Sec. 7. Minnesota Statutes 2024, section 321.0206, is amended to read:

82.22 **321.0206 DELIVERY TO AND FILING OF RECORDS BY SECRETARY OF**  
82.23 **STATE; EFFECTIVE TIME AND DATE.**

82.24 (a) A record authorized or required to be delivered to the secretary of state for filing  
82.25 under this chapter must be captioned to describe the record's purpose, be in a medium  
82.26 permitted by the secretary of state, and be delivered to the secretary of state. Unless the  
82.27 secretary of state determines that a record does not comply with the filing requirements of  
82.28 this chapter, and if the appropriate filing fees have been paid, the secretary of state shall  
82.29 file the record and:

82.30 (1) for a statement of dissociation, send:

83.1 (A) a copy of the filed statement to the person which the statement indicates has  
83.2 dissociated as a general partner; and

83.3 (B) a copy of the filed statement to the limited partnership;

83.4 (2) for a statement of withdrawal, send:

83.5 (A) a copy of the filed statement to the person on whose behalf the record was filed; and

83.6 (B) if the statement refers to an existing limited partnership, a copy of the filed statement  
83.7 to the limited partnership; and

83.8 (3) for all other records, send a copy of the filed record to the person on whose behalf  
83.9 the record was filed.

83.10 (b) Upon request and payment of a fee, the secretary of state shall send to the requester  
83.11 a certified copy of the requested record.

83.12 (c) Except as otherwise provided in sections 321.0116 and 321.0207, a record delivered  
83.13 to the secretary of state for filing under this chapter may specify an effective time and a  
83.14 delayed effective date. Except as otherwise provided in this chapter, a record filed by the  
83.15 secretary of state is effective:

83.16 (1) if the record does not specify an effective time and does not specify a delayed effective  
83.17 date, on the date and at the time the record is filed as evidenced by the secretary of state's  
83.18 endorsement of the date and time on the record;

83.19 (2) if the record specifies an effective time but not a delayed effective date, on the date  
83.20 the record is filed at the time specified in the record;

83.21 (3) if the record specifies a delayed effective date but not an effective time, at 12:01  
83.22 a.m. on the earlier of:

83.23 (A) the specified date; or

83.24 (B) the 30th day after the record is filed; or

83.25 (4) if the record specifies an effective time and a delayed effective date, at the specified  
83.26 time on the earlier of:

83.27 (A) the specified date; or

83.28 (B) the 30th day after the record is filed.

83.29 (d) The appropriate fees for filings under this chapter are:

83.30 (1) for filing a certificate of limited partnership, ~~\$100~~ \$110;

- 84.1 (2) for filing an amended certificate of limited partnership, \$50;
- 84.2 (3) for filing a name reservation for a limited partnership name, \$35;
- 84.3 (4) for filing any other record, other than the annual renewal required by section 321.0210,
- 84.4 for which no fee must be charged, required or permitted to be delivered for filing, \$50;
- 84.5 (5) for filing a certificate requesting authority to transact business in Minnesota as a
- 84.6 foreign limited partnership, ~~\$100~~ \$110;
- 84.7 (6) for filing an application of reinstatement, \$25;
- 84.8 (7) for filing a name reservation for a foreign limited partnership name, \$35; and
- 84.9 (8) for filing any other record, other than the annual renewal required by section 321.0210,
- 84.10 for which no fee must be charged, required or permitted to be delivered for filing on a
- 84.11 foreign limited partnership authorized to transact business in Minnesota, \$50.

84.12 Sec. 8. Minnesota Statutes 2024, section 322C.0201, subdivision 4, is amended to read:

84.13 Subd. 4. **Formation.** (a) A limited liability company is formed when articles of

84.14 organization have been filed with the secretary of state accompanied by a payment of ~~\$135~~

84.15 \$145.

84.16 (b) Except in a proceeding by this state to dissolve a limited liability company, the filing

84.17 of the articles of organization by the secretary of state is conclusive proof that the organizer

84.18 satisfied all conditions to the formation of a limited liability company.

84.19 (c) The formation of a limited liability company does not by itself cause any person to

84.20 become a member. However, this chapter does not preclude an agreement, made before or

84.21 after formation of a limited liability company, which provides that one or more persons will

84.22 become members, or acknowledging that one or more persons became members, upon or

84.23 otherwise in connection with the formation of the limited liability company.

84.24 Sec. 9. Minnesota Statutes 2024, section 322C.0802, is amended to read:

84.25 **322C.0802 APPLICATION FOR CERTIFICATE OF AUTHORITY.**

84.26 Before transacting business in this state, a foreign limited liability company shall obtain

84.27 a certificate of authority to transact business in this state by filing an application with the

84.28 secretary of state together with a total fee of ~~\$185~~ \$195. The application must state:

- 84.29 (1) the name of the company and any alternate name adopted pursuant to section
- 84.30 322C.0805, subdivision 1;

- 85.1 (2) the name of the state or other jurisdiction under whose law the company is formed;
- 85.2 (3) a statement that the foreign limited liability company has complied with the
- 85.3 organizational laws in the jurisdiction under whose laws the company is formed;
- 85.4 (4) the street address of the company's principal place of business and, if the law of the
- 85.5 jurisdiction under which the company is formed requires the company to maintain an office
- 85.6 in that jurisdiction, the street address of the required office; and
- 85.7 (5) the name and street address of the company's initial registered office and agent for
- 85.8 service of process in this state.

85.9 Sec. 10. Minnesota Statutes 2024, section 323A.0101, is amended to read:

85.10 **323A.0101 DEFINITIONS.**

85.11 In this chapter:

85.12 (1) "Business" includes every trade, occupation, and profession.

85.13 (2) "Debtor in bankruptcy" means a person who is the subject of:

85.14 (i) an order for relief under title 11 of the United States Code or a comparable order

85.15 under a successor statute of general application; or

85.16 (ii) a comparable order under federal, state, or foreign law governing insolvency.

85.17 (3) "Distribution" means a transfer of money or other property from a partnership to a

85.18 partner in the partner's capacity as a partner or to the partner's transferee.

85.19 (4) "Executed" means signed.

85.20 (5) "Filed" or "filed with the secretary of state" means that a document meeting the

85.21 applicable requirements of this chapter, signed, and accompanied by a filing fee of ~~\$135~~

85.22 \$145, has been delivered to the secretary of state. The secretary of state shall endorse on

85.23 the document the word "Filed" and the month, day, and year of filing; record the document

85.24 in the Office of the Secretary of State; and return a document to the person who delivered

85.25 it for filing.

85.26 (6) "Foreign limited liability partnership" means a partnership that:

85.27 (i) is formed under laws other than the laws of this state; and

85.28 (ii) has the status of a limited liability partnership under those laws.

86.1 (7) "Limited liability partnership" means a partnership that has filed a statement of  
86.2 qualification under section 323A.1001 and does not have a similar statement in effect in  
86.3 any other jurisdiction.

86.4 (8) "Partnership" means an association of two or more persons to carry on as co-owners  
86.5 a business for profit, including a limited liability partnership, formed under section  
86.6 323A.0202, predecessor law, or comparable law of another jurisdiction.

86.7 (9) "Partnership agreement" means the agreement, whether written, oral, or implied,  
86.8 among the partners concerning the partnership, including amendments to the partnership  
86.9 agreement.

86.10 (10) "Partnership at will" means a partnership in which the partners have not agreed to  
86.11 remain partners until the expiration of a definite term or the completion of a particular  
86.12 undertaking.

86.13 (11) "Partnership interest" or "partner's interest in the partnership" means all of a partner's  
86.14 interests in the partnership, including the partner's transferable interest and all management  
86.15 and other rights.

86.16 (12) "Person" means an individual, corporation, business trust, estate, trust, partnership,  
86.17 association, joint venture, government, governmental subdivision, agency, or instrumentality,  
86.18 or any other legal or commercial entity.

86.19 (13) "Property" means all property, real, personal, or mixed, tangible or intangible, or  
86.20 any interest in property.

86.21 (14) "Record," "recorded," and "recording" mean that a certified copy of a statement  
86.22 meeting the applicable requirements of this chapter as filed with the secretary of state has  
86.23 been recorded in the office of the county recorder in the county in which the real property  
86.24 affected by the statement is located or, if the real property is registered under chapter 508  
86.25 or 508A, memorialized on the certificate of title for that property.

86.26 (15) "Signed" means that:

86.27 (i) the signature of a person has been written on a document, as provided in section  
86.28 645.44, subdivision 14; and

86.29 (ii) with respect to a document that may be filed with the secretary of state, the document  
86.30 has been signed by a person authorized to do so by this chapter, by the partnership agreement,  
86.31 or by a resolution approved as provided in the partnership agreement.

87.1 A signature on a document may be a facsimile affixed, engraved, printed, placed, stamped  
87.2 with indelible ink, transmitted by facsimile or electronically, or in any other manner  
87.3 reproduced on the document.

87.4 (16) "State" means a state of the United States, the District of Columbia, the  
87.5 Commonwealth of Puerto Rico, or any territory or insular possession subject to the  
87.6 jurisdiction of the United States.

87.7 (17) "Statement" means a statement of partnership authority under section 323A.0303,  
87.8 a statement of denial under section 323A.0304, a statement of dissociation under section  
87.9 323A.0704, a statement of dissolution under section 323A.0805, a statement of merger  
87.10 under section 323A.0907, a statement of qualification under section 323A.1001, a statement  
87.11 of foreign qualification under section 323A.1102, or an amendment or cancellation of any  
87.12 of the foregoing.

87.13 (18) "Transfer" includes an assignment, conveyance, lease, mortgage, deed, and  
87.14 encumbrance.

## 87.15 ARTICLE 7

### 87.16 LOCAL GOVERNMENT POLICY

87.17 Section 1. Minnesota Statutes 2024, section 13D.02, subdivision 1, is amended to read:

87.18 Subdivision 1. **Conditions.** ~~(a)~~ A meeting governed by section 13D.01, subdivisions 1,  
87.19 2, 4, and 5, and this section may be conducted by interactive technology so long as:

87.20 (1) all members of the body participating in the meeting, wherever their physical location,  
87.21 can hear and see one another and can hear and see all discussion and testimony presented  
87.22 at any location at which at least one member is present;

87.23 (2) members of the public present at the regular meeting location of the body can hear  
87.24 and see all discussion and testimony and all votes of members of the body;

87.25 (3) at least one member of the body is physically present at the regular meeting location;  
87.26 and

87.27 (4) all votes are conducted by roll call so each member's vote on each issue can be  
87.28 identified and recorded; ~~and.~~

87.29 ~~(5) each location at which a member of the body is present is open and accessible to the~~  
87.30 ~~public.~~

~~(b) A meeting satisfies the requirements of paragraph (a), although a member of the public body participates from a location that is not open or accessible to the public, if the member has not participated more than three times in a calendar year from a location that is not open or accessible to the public, and:~~

~~(1) the member is serving in the military and is at a required drill, deployed, or on active duty; or~~

~~(2) the member has been advised by a health care professional against being in a public place for personal or family medical reasons.~~

Sec. 2. Minnesota Statutes 2024, section 13D.02, subdivision 4, is amended to read:

Subd. 4. **Notice of regular and all member meeting locations.** If interactive technology is used to conduct a regular, special, or emergency meeting, the public body shall provide notice of the regular meeting location and ~~notice of any location where a member of the public body will be participating~~ the fact that members may participate in the meeting by interactive technology, ~~except for the locations of members participating pursuant to subdivision 1, paragraph (b).~~ The timing and method of providing notice of the regular meeting location must be as described in section 13D.04.

Sec. 3. Minnesota Statutes 2024, section 367.36, subdivision 1, is amended to read:

Subdivision 1. **Transition; audit.** (a) In a town in which option D is adopted, the incumbent treasurer shall continue in office until the expiration of the term. Thereafter, or at any time a vacancy other than a temporary vacancy under section 367.03 occurs in the position, the duties of the treasurer prescribed by law shall be performed by the clerk who shall be referred to as the clerk-treasurer. If option D is adopted at an election in which the treasurer is also elected, the election of the treasurer's position is void.

(b) If the offices of clerk and treasurer are combined and the town's annual revenue for all governmental and enterprise funds combined is more than the amount in paragraph (c), the town board shall provide for an annual audit of the town's financial affairs by the state auditor or a public accountant in accordance with minimum audit procedures prescribed by the state auditor. If the offices of clerk and treasurer are combined and the town's annual revenue for all governmental and enterprise funds combined is the amount in paragraph (c) or less, the town board shall provide for an audit of the town's financial affairs by the state auditor or a public accountant in accordance with minimum audit procedures prescribed by the state auditor at least once every five years, which audit shall be for a one-year period to be determined at random by the person conducting the audit. Upon completion of an



audit by a public accountant, the public accountant shall forward a copy of the audit to the state auditor. For purposes of this subdivision, "public accountant" means a certified public accountant or a certified public accounting firm licensed in accordance with chapter 326A.

(c) For the purposes of paragraph (b), the amount in ~~2004~~ 2025 is ~~\$150,000~~ \$1,000,000, and ~~in 2005 and after, \$150,000 is adjusted annually thereafter~~ for inflation using the annual implicit price deflator for state and local expenditures as published by the United States Department of Commerce.

**EFFECTIVE DATE.** This section is effective August 1, 2025, and applies to audits performed for 2026 and thereafter.

Sec. 4. **[383A.151] RAMSEY COUNTY ECONOMIC DEVELOPMENT AUTHORITY.**

**Subdivision 1. Creation.** (a) There is created in the county of Ramsey a public body, corporate and politic, known as the Ramsey County Economic Development Authority, that has the powers contained in sections 469.090 to 469.108, except for sections 469.101, subdivision 19, 469.102, and 469.107; the powers of a housing and redevelopment authority under sections 469.001 to 469.047; and the powers of a city under sections 469.124 to 469.133. For the purposes of applying chapter 469 to the county of Ramsey, the county has all the powers and duties of a city; the county board has all the powers and duties of a governing body; the chair of the county board has all the powers and duties of a mayor; and, with respect to the exercise of the powers under section 469.008, the area of operation includes the area within the territorial boundaries of the county.

(b) Section 469.1082 does not apply to the county of Ramsey, except for section 469.1082, subdivision 5.

**Subd. 2. Commissioners.** Notwithstanding the provisions of chapter 469 or other law to the contrary, the Ramsey County Economic Development Authority consists of seven commissioners. The county board must appoint the commissioners and fill vacancies in the office of any commissioner. Pursuant to Ramsey County Resolution No. 94-357, dated July 26, 1994, the Ramsey County Board of Commissioners also constitutes the Ramsey County Housing and Redevelopment Authority. The board may, by resolution, appoint the sitting commissioners of the Ramsey County Housing and Redevelopment Authority as commissioners of the Ramsey County Economic Development Authority, the terms of each commissioner corresponding accordingly.

90.1 **EFFECTIVE DATE.** This section is effective the day after the governing body of  
90.2 Ramsey County and its chief clerical officer comply with Minnesota Statutes, section  
90.3 645.021, subdivisions 2 and 3.

90.4 Sec. 5. **[383A.152] RAMSEY COUNTY HOUSING AND REDEVELOPMENT**  
90.5 **AUTHORITY; ADDITIONAL POWERS.**

90.6 The Ramsey County Housing and Redevelopment Authority, established pursuant to  
90.7 Ramsey County Resolution No. 93-155, dated March 9, 1993, shall have the powers and  
90.8 duties of the Ramsey County Economic Development Authority under section 383A.151  
90.9 and shall retain all the powers of a housing and redevelopment authority under sections  
90.10 469.001 to 469.047. For the purposes of applying chapter 469 to the county of Ramsey, the  
90.11 county has all the powers and duties of a city; the county board has all the powers and duties  
90.12 of a governing body; the chair of the county has all the powers and duties of a mayor; and,  
90.13 with respect to the exercise of the powers under section 469.008, the area of operation  
90.14 includes the area within the territorial boundaries of the county.

90.15 **EFFECTIVE DATE.** This section is effective the day after the governing body of  
90.16 Ramsey County and its chief clerical officer comply with Minnesota Statutes, section  
90.17 645.021, subdivisions 2 and 3.

90.18 Sec. 6. Minnesota Statutes 2024, section 383C.035, is amended to read:

90.19 **383C.035 UNCLASSIFIED CIVIL SERVICE.**

90.20 (a) The officers and employees of the county and of any agency, board, or commission,  
90.21 supported in whole or in part by taxation upon the taxable property of the county or appointed  
90.22 by the judges of the district court for the county, are divided into the unclassified and  
90.23 classified service.

90.24 (b) The unclassified service comprises:

90.25 (1) all officers elected by popular vote or persons appointed to fill vacancies in such  
90.26 offices;

90.27 (2) superintendent or principal administrative officer or comptroller of any separate  
90.28 department of county government which is now or hereafter created pursuant to law, who  
90.29 is directly responsible to the board of county commissioners or any other board or  
90.30 commission, as well as the county agricultural agents reporting to the county extension  
90.31 committee;

91.1 (3) members of nonpaid board, or commissioners appointed by the board of county  
91.2 commissioners or acting in an advisory capacity;

91.3 (4) assistant county attorneys or special investigators in the employ of the county attorney.  
91.4 For purposes of this section, special investigators are defined as all nonclerical positions in  
91.5 the employ of the county attorney;

91.6 (5) all common labor temporarily employed on an hourly basis;

91.7 (6) not more than a total of nine full-time equivalent clerical employees serving the  
91.8 county board and administrator;

91.9 (7) a legislative lobbyist/grant coordinator appointed by the county board to act as  
91.10 legislative liaison with the St. Louis County legislative delegation and pursue legislative  
91.11 concerns and grant opportunities for the county, and the clerk for that position;

91.12 (8) any department head and deputy director designated by the county board;

91.13 (9) three administrative assistants in the county administrator's office;

91.14 (10) the county administrator and ~~two~~ deputy administrators; and

91.15 (11) all court bailiffs.

91.16 (c) The classified service includes all other positions now existing and hereinafter created  
91.17 in the service of the county or any board or commission, agency, or offices of the county.

91.18 Sec. 7. Minnesota Statutes 2024, section 412.02, subdivision 3, is amended to read:

91.19 Subd. 3. **Clerk, treasurer combined; audit standards.** (a) In cities operating under  
91.20 the standard plan of government the council may by ordinance adopted at least 60 days  
91.21 before the next regular city election combine the offices of clerk and treasurer in the office  
91.22 of clerk-treasurer, but such an ordinance shall not be effective until the expiration of the  
91.23 term of the incumbent treasurer or when an earlier vacancy occurs. After the effective date  
91.24 of the ordinance, the duties of the treasurer and deputy treasurer as prescribed by this chapter  
91.25 shall be performed by the clerk-treasurer or a duly appointed deputy. The offices of clerk  
91.26 and treasurer may be reestablished by ordinance.

91.27 (b) If the offices of clerk and treasurer are combined as provided by this section and the  
91.28 city's annual revenue for all governmental and enterprise funds combined is more than the  
91.29 amount in paragraph (c), the council shall provide for an annual audit of the city's financial  
91.30 affairs by the state auditor or a public accountant in accordance with minimum auditing  
91.31 procedures prescribed by the state auditor. If the offices of clerk and treasurer are combined  
91.32 and the city's annual revenue for all governmental and enterprise funds combined is the

amount in paragraph (c), or less, the council shall provide for an audit of the city's financial affairs by the state auditor or a public accountant in accordance with minimum audit procedures prescribed by the state auditor at least once every five years, which audit shall be for a one-year period to be determined at random by the person conducting the audit.

(c) For the purposes of paragraph (b), the amount in ~~2004~~ 2025 is ~~\$150,000~~ \$1,000,000, and ~~in 2005 and after, \$150,000~~ is adjusted annually thereafter for inflation using the annual implicit price deflator for state and local expenditures as published by the United States Department of Commerce.

**EFFECTIVE DATE.** This section is effective August 1, 2025, and applies to audits performed for 2026 and thereafter.

Sec. 8. Minnesota Statutes 2024, section 412.591, subdivision 3, is amended to read:

Subd. 3. **Audit standards if combined.** (a) If the offices of clerk and treasurer are combined as provided by this section, and the city's annual revenue for all governmental and enterprise funds combined is more than the amount in paragraph (b), the council shall provide for an annual audit of the city's financial affairs by the state auditor or a certified public accountant in accordance with minimum procedures prescribed by the state auditor. If the offices of clerk and treasurer are combined and the city's annual revenue for all governmental and enterprise funds combined is the amount in paragraph (b), or less, the council shall provide for an audit of the city's financial affairs by the state auditor or a certified public accountant in accordance with minimum audit procedures prescribed by the state auditor at least once every five years, which audit shall be for a one-year period to be determined at random by the person conducting the audit.

(b) For the purposes of paragraph (a), the amount in ~~2004~~ 2025 is ~~\$150,000~~ \$1,000,000, and ~~in 2005 and after, \$150,000~~ is adjusted annually thereafter for inflation using the annual implicit price deflator for state and local expenditures as published by the United States Department of Commerce.

**EFFECTIVE DATE.** This section is effective August 1, 2025, and applies to audits performed for 2026 and thereafter.

Sec. 9. **[471.3458] VOLUNTEER EMERGENCY SERVICES PROVIDERS; TIRE PURCHASES.**

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

93.1 (b) "Fire department" has the meaning given in section 299N.01, subdivision 2.

93.2 (c) "Municipality" means a statutory or home rule charter city or a town.

93.3 (d) "Volunteer emergency services provider" means a volunteer firefighter, as defined  
93.4 in section 299N.03, subdivision 7; volunteer ambulance attendant, as defined in section  
93.5 144E.001, subdivision 15; volunteer paramedic; or any other volunteer emergency medical  
93.6 personnel performing emergency medical services for a municipality or fire department.

93.7 Subd. 2. **Tire purchases.** A municipality or fire department may authorize a volunteer  
93.8 emergency services provider who has performed services for the municipality or fire  
93.9 department for at least three years and who is currently performing services for the  
93.10 municipality or fire department to purchase up to four vehicle tires for one personal vehicle  
93.11 owned by the volunteer emergency services provider every three years under a contract for  
93.12 tires from which the municipality or fire department purchases vehicle tires. The volunteer  
93.13 emergency services provider must pay for any tires purchased under this section, including  
93.14 all applicable taxes and fees.

93.15 Subd. 3. **Authorization requirements.** (a) The authorization by a municipality or fire  
93.16 department to purchase tires under this section must be in writing on the municipality's or  
93.17 fire department's letterhead and include the following:

93.18 (1) the volunteer emergency services provider's name;

93.19 (2) the number of years the volunteer emergency services provider has performed services  
93.20 for the municipality or fire department;

93.21 (3) the license plate number of the personal vehicle on which the tires will be placed;  
93.22 and

93.23 (4) a reference to the contract under which the municipality or fire department purchases  
93.24 vehicle tires.

93.25 (b) The municipality or fire department must document how many tires each volunteer  
93.26 emergency services provider purchases during the periods specified in this section.

93.27 Sec. 10. Minnesota Statutes 2024, section 477A.017, subdivision 3, is amended to read:

93.28 Subd. 3. **Conformity.** Other law to the contrary notwithstanding, in order to receive  
93.29 distributions under sections 477A.011 to 477A.03, counties ~~and~~, cities, and towns must  
93.30 conform to the standards set in subdivision 2 in making all financial reports required to be  
93.31 made to the state auditor.

94.1      **Sec. 11. REPEALER.**

94.2 (a) Minnesota Statutes 2024, sections 383C.07; and 383C.74, subdivisions 1, 2, 3, and  
94.3 4, are repealed.

94.4 (b) Minnesota Statutes 2024, section 471.9998, is repealed."

94.5 Delete the title and insert:

94.6 "A bill for an act

relating to state government operations; appropriating money for the constitutional offices, the legislature, and state agencies, the Minnesota Historical Society, the Minnesota Humanities Center, State Lottery, certain offices, departments, boards, commissions, councils, general contingent account, and tort claims; transferring certain funds; making changes to policy for state government operations, local government policy, state personnel management, and business filings with the secretary of state; amending Minnesota Statutes 2024, sections 3.971, subdivisions 2, 8a, 9; 11A.24, by adding a subdivision; 13.485, subdivision 1, by adding a subdivision; 13D.02, subdivisions 1, 4; 14.48, subdivisions 1, 2; 14.62, subdivisions 1, 2a, by adding a subdivision; 16A.152, subdivision 8; 16B.055, subdivision 1; 16B.335, subdivision 2; 16B.48, subdivision 4; 16B.54, subdivision 2; 16B.97, subdivision 1; 16B.98, subdivisions 1, 4; 16B.981, subdivision 4; 16B.991, subdivision 2; 16C.05, by adding a subdivision; 16C.137, subdivision 2; 16C.16, subdivisions 6, 6a, 7; 16D.09, subdivision 1; 43A.01, subdivision 3; 43A.02, subdivision 14; 43A.04, subdivisions 1, 4, 8; 43A.05, subdivision 3; 43A.08, subdivisions 1a, 4; 43A.11, subdivision 9; 43A.121; 43A.15, subdivisions 3, 4, 7, 12, 14; 43A.17, subdivision 5; 43A.181, subdivision 1; 43A.1815; 43A.19, subdivision 1; 43A.23, subdivisions 1, 2; 43A.231, subdivisions 3, 4, 6; 43A.24, subdivisions 1a, 2; 43A.27, subdivisions 2, 3; 43A.33, subdivision 3; 43A.346, subdivisions 2, 6; 43A.36, subdivision 1; 43A.421; 155A.23, by adding a subdivision; 155A.27, subdivision 2; 155A.2705, subdivision 3; 155A.30, subdivision 2; 240.131, subdivision 7; 302A.153; 303.06, by adding a subdivision; 303.21; 308A.131, subdivision 2; 308B.215, subdivision 2; 317A.151, subdivision 2; 321.0206; 322C.0201, subdivision 4; 322C.0802; 323A.0101; 326.05; 326.10, subdivisions 1, 2, 10; 326.111, subdivisions 3, 4, 5, by adding a subdivision; 326A.03, subdivision 6, by adding subdivisions; 326A.14; 349A.01, by adding a subdivision; 349A.06, subdivisions 2, 11; 367.36, subdivision 1; 383C.035; 412.02, subdivision 3; 412.591, subdivision 3; 477A.017, subdivision 3; 609.48, subdivision 1; Laws 2023, chapter 62, article 1, sections 11, subdivision 2; 13; proposing coding for new law in Minnesota Statutes, chapters 1; 15; 16B; 300; 383A; 471; repealing Minnesota Statutes 2024, sections 16B.328, subdivision 2; 16B.45; 16C.36; 43A.315; 43A.317, subdivisions 1, 2, 3, 5, 6, 7, 8, 9, 10, 12; 43A.318, subdivisions 1, 2, 4, 5; 211B.06; 211B.08; 383C.07; 383C.74, subdivisions 1, 2, 3, 4; 471.9998; Laws 2024, chapter 120, article 3, section 2; Minnesota Rules, part 1105.7900, item D."